

# INCOME STATEMENTS

for the Financial Year Ended 31 December 2010

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		2010	2009	2010	2009
Revenue	5 & 6	<b>15,194.7</b>	8,893.6	<b>842.0</b>	819.2
Cost of sales	7	<b>(8,537.7)</b>	(5,341.1)	<b>(74.1)</b>	(69.1)
<b>Gross profit</b>		<b>6,657.0</b>	3,552.5	<b>767.9</b>	750.1
Other income					
- net gain on dilution of shareholding arising from bond conversions		<b>436.3</b>	33.0	-	213.3
- net gain arising from Deferred Consideration		<b>413.6</b>	-	-	-
- net fair value gain on derivative financial instruments		<b>64.0</b>	-	-	-
- others		<b>414.7</b>	244.5	<b>60.9</b>	57.2
Selling and distribution costs		<b>(219.7)</b>	(115.1)	-	-
Administration expenses		<b>(790.5)</b>	(605.3)	<b>(18.3)</b>	(16.7)
Net (impairment loss)/reversal of impairment loss	8	<b>(1,554.4)</b>	(157.0)	<b>24.6</b>	(10.8)
Other expenses					
- loss on discontinuance of cash flow hedge accounting using interest rate swaps		<b>(145.4)</b>	-	-	-
- net fair value loss on financial assets at fair value through profit or loss		<b>(3.5)</b>	-	-	-
- others		<b>(211.6)</b>	(183.2)	<b>(13.9)</b>	(10.8)
Finance cost	9	<b>(723.9)</b>	(261.4)	<b>(134.6)</b>	(73.7)
Share of results in jointly controlled entities		<b>(8.8)</b>	(22.1)	-	-
Share of results in associates		<b>66.5</b>	42.5	-	-
<b>Profit before taxation</b>	5, 9, 10 & 11	<b>4,394.3</b>	2,528.4	<b>686.6</b>	908.6
Taxation	12	<b>(983.6)</b>	(745.6)	<b>(193.0)</b>	(184.4)
<b>Profit for the financial year</b>		<b>3,410.7</b>	1,782.8	<b>493.6</b>	724.2
Profit attributable to:					
Equity holders of the Company		<b>2,203.0</b>	1,044.3	<b>493.6</b>	724.2
Minority interests		<b>1,207.7</b>	738.5	-	-
		<b>3,410.7</b>	1,782.8	<b>493.6</b>	724.2
Earnings per share for profit attributable to the equity holders of the Company:					
- basic (sen)	13	<b>59.57</b>	28.26		
- diluted (sen)	13	<b>59.46</b>	28.13		

# STATEMENTS OF COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2010

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2010	2009	2010	2009
<b>Profit for the financial year</b>		<b>3,410.7</b>	1,782.8	<b>493.6</b>	724.2
<b>Other comprehensive income/(loss):</b>					
Asset revaluation surplus		23.7	-	-	-
Actuarial gain/(loss) on retirement benefit liability		2.0	(9.5)	-	-
Cash flow hedges					
- Fair value loss		(141.6)	-	-	-
- Reclassification to profit or loss		319.7	-	-	-
		<b>178.1</b>	-	-	-
Available-for-sale financial assets					
- Fair value gain		1,167.4	887.9	-	-
- Reclassification to profit or loss upon disposal		(19.5)	-	-	-
		<b>1,147.9</b>	887.9	-	-
Share of other comprehensive income of jointly controlled entities		7.5	-	-	-
Share of other comprehensive income of associates		6.0	-	-	-
Net foreign currency exchange differences		(903.6)	341.5	-	-
<b>Other comprehensive income for the financial year, net of tax</b>	12	<b>461.6</b>	1,219.9	-	-
<b>Total comprehensive income for the financial year</b>		<b>3,872.3</b>	3,002.7	<b>493.6</b>	724.2
Total comprehensive income attributable to:					
Equity holders of the company		1,999.9	1,645.0	493.6	724.2
Minority interests		1,872.4	1,357.7	-	-
		<b>3,872.3</b>	3,002.7	<b>493.6</b>	724.2

# STATEMENTS OF FINANCIAL POSITION

as at 31 December 2010

Amounts in RM million unless otherwise stated

	Note	Group			Company	
		31 Dec 2010	31 Dec 2009 (Restated)	1 Jan 2009 (Restated)	31 Dec 2010	31 Dec 2009
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property, plant and equipment	15	19,932.5	18,190.7	12,427.2	6.1	4.4
Land held for property development	16	571.2	582.4	579.9	-	-
Investment properties	17	43.3	71.8	73.2	-	-
Plantation development	18	843.6	650.4	518.3	-	-
Leasehold land use rights	19	133.9	115.0	68.1	-	-
Intangible assets	20	3,779.2	3,914.1	3,523.1	-	-
Exploration costs	21	577.2	420.6	420.0	-	-
Subsidiaries	22	-	-	-	8,506.4	8,278.3
Amounts due from subsidiaries	22	-	-	-	926.7	967.2
Jointly controlled entities	23	62.3	52.1	71.2	-	-
Associates	24	765.9	672.8	622.1	-	-
Financial assets at fair value through profit or loss	25	2.0	-	-	-	-
Available-for-sale financial assets	26	2,591.4	1,270.1	415.0	-	-
Derivative financial instruments	41	1.2	-	-	-	-
Other non-current assets	30	267.1	-	-	-	-
Other long term investments	27	-	681.0	435.2	-	-
Long term receivables	30	-	239.5	102.4	-	-
Deferred tax assets	28	177.0	94.0	61.7	11.1	9.2
		<b>29,747.8</b>	<b>26,954.5</b>	<b>19,317.4</b>	<b>9,450.3</b>	<b>9,259.1</b>
<b>Current Assets</b>						
Property development costs	16	14.2	45.0	54.0	-	-
Inventories	29	520.6	387.1	376.1	-	-
Trade and other receivables	30	2,184.7	977.0	951.8	0.8	0.7
Current tax assets		95.7	119.7	138.1	19.2	19.2
Amounts due from subsidiaries	22	-	-	-	408.0	411.3
Amounts due from jointly controlled entities and associates	23	7.7	13.5	11.3	-	-
Financial assets at fair value through profit or loss	25	94.8	-	-	-	-
Available-for-sale financial assets	26	842.0	-	-	50.0	-
Restricted cash	32	881.5	297.5	135.4	-	-
Short term investments	31	-	314.1	163.3	-	-
Cash and cash equivalents	32	14,548.5	14,392.6	9,303.3	630.6	574.9
		<b>19,189.7</b>	<b>16,546.5</b>	<b>11,133.3</b>	<b>1,108.6</b>	<b>1,006.1</b>
Assets classified as held for sale		76.6	-	-	-	-
		<b>19,266.3</b>	<b>16,546.5</b>	<b>11,133.3</b>	<b>1,108.6</b>	<b>1,006.1</b>
		<b>49,014.1</b>	<b>43,501.0</b>	<b>30,450.7</b>	<b>10,558.9</b>	<b>10,265.2</b>
<b>Total Assets</b>						
<b>EQUITY AND LIABILITIES</b>						
<b>Equity Attributable To Equity Holders of the Company</b>						
Share capital	33	371.4	370.5	370.4	371.4	370.5
Treasury shares	34	(43.2)	(43.0)	(42.3)	(43.2)	(43.0)
Reserves	35	15,169.3	13,559.6	12,113.9	7,689.1	7,379.4
		<b>15,497.5</b>	<b>13,887.1</b>	<b>12,442.0</b>	<b>8,017.3</b>	<b>7,706.9</b>
Minority interests		13,949.0	11,825.3	8,971.4	-	-
		<b>29,446.5</b>	<b>25,712.4</b>	<b>21,413.4</b>	<b>8,017.3</b>	<b>7,706.9</b>
<b>Total Equity</b>						
<b>Non-Current Liabilities</b>						
Long term borrowings	36	11,849.4	12,659.5	5,414.3	-	-
Amounts due to subsidiaries	22	-	-	-	2,389.7	2,438.3
Deferred tax liabilities	28	1,482.0	1,307.9	1,226.6	-	-
Derivative financial instruments	41	1.6	-	-	-	-
Provisions	38	211.8	123.6	103.1	73.9	54.1
Other non-current liabilities	39	115.0	261.5	87.7	-	-
		<b>13,659.8</b>	<b>14,352.5</b>	<b>6,831.7</b>	<b>2,463.6</b>	<b>2,492.4</b>
<b>Current Liabilities</b>						
Trade and other payables	40	4,098.8	2,381.9	1,512.2	24.0	19.8
Amounts due to subsidiaries	22	-	-	-	21.5	16.3
Amount due to a jointly controlled entity	23	4.5	2.3	-	-	-
Short term borrowings	36	1,581.7	852.5	442.3	-	-
Derivative financial instruments	41	4.2	-	-	-	-
Taxation		218.6	199.4	251.1	32.5	29.8
		<b>5,907.8</b>	<b>3,436.1</b>	<b>2,205.6</b>	<b>78.0</b>	<b>65.9</b>
		<b>19,567.6</b>	<b>17,788.6</b>	<b>9,037.3</b>	<b>2,541.6</b>	<b>2,558.3</b>
		<b>49,014.1</b>	<b>43,501.0</b>	<b>30,450.7</b>	<b>10,558.9</b>	<b>10,265.2</b>
<b>Total Liabilities</b>						
<b>Total Equity and Liabilities</b>						
		<b>49,014.1</b>	<b>43,501.0</b>	<b>30,450.7</b>	<b>10,558.9</b>	<b>10,265.2</b>
<b>NET ASSETS PER SHARE</b>						
		<b>RM4.18</b>	<b>RM3.76</b>	<b>RM3.37</b>		

# STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2010

Amounts in RM million unless otherwise stated

Group	Note	Attributable to equity holders of the Company										Total	Minority Interests	Total Equity
		Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Non-Distributable Cash Flow Hedge Reserve	Reserve on Exchange Differences	Retained Earnings	Treasury Shares					
<b>At 1 January 2010</b>														
As previously reported		370.5	1,155.0	302.7	432.0	-	(223.1)	11,893.0	(43.0)	13,887.1	11,825.3	25,712.4		
Effects of adopting FRS 139 (Note 2(b))		-	-	-	0.2	(116.1)	0.1	(90.6)	-	(206.4)	(179.7)	(386.1)		
As restated balance		370.5	1,155.0	302.7	432.2	(116.1)	(223.0)	11,802.4	(43.0)	13,680.7	11,645.6	25,326.3		
Profit for the financial year		-	-	-	-	-	-	2,203.0	-	2,203.0	1,207.7	3,410.7		
Other comprehensive income/(loss)		-	-	13.0	647.7	99.8	(964.6)	1.0	-	(203.1)	664.7	461.6		
Total comprehensive income/(loss) for the year		-	-	13.0	647.7	99.8	(964.6)	2,204.0	-	1,999.9	1,872.4	3,872.3		
Transfer due to realisation of revaluation reserve		-	-	(0.6)	-	-	-	0.6	-	-	-	-		
<b>Transactions with owners:</b>														
Effects arising from changes in composition of the Group		-	-	-	-	-	-	-	-	-	795.4	795.4		
Effects of share-based payment		-	-	-	-	-	-	-	-	-	34.9	34.9		
Effects of issue of shares by subsidiaries		-	-	-	-	-	-	0.1	-	0.1	37.2	37.3		
<b>Total changes in ownership interests in subsidiaries that do not result in loss of control</b>		-	-	-	-	-	-	0.1	-	0.1	867.5	867.6		
Issue of shares		0.9	24.1	-	-	-	-	-	-	25.0	-	25.0		
Buy-back of shares		-	-	-	-	-	-	-	(0.2)	(0.2)	(103.5)	(103.7)		
Dividend paid to minority shareholders		-	-	-	-	-	-	-	-	-	(333.0)	(333.0)		
Appropriation:														
Final dividend paid for financial year ended 31 December 2009 (4.2 sen less 25% income tax)	14	-	-	-	-	-	-	(116.4)	-	(116.4)	-	(116.4)		
Interim dividend paid for financial year ended 31 December 2010 (3.3 sen less 25% income tax)	14	-	-	-	-	-	-	(91.6)	-	(91.6)	-	(91.6)		
<b>Total contributions by and distributions to owners</b>		0.9	24.1	-	-	-	-	(208.0)	(0.2)	(183.2)	(436.5)	(619.7)		
<b>Total transaction with owners</b>		0.9	24.1	-	-	-	-	(207.9)	(0.2)	(183.1)	431.0	247.9		
<b>Balance as at 31 December 2010</b>		371.4	1,179.1	315.1	1,079.9	(16.3)	(1,187.6)	13,799.1	(43.2)	15,497.5	13,949.0	29,446.5		

# STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the Financial Year Ended 31 December 2010

Amounts in RM million unless otherwise stated

Group	Note	Attributable to equity holders of the Company									
		Share Capital	Share Premium	Revaluation Reserve	Non-Distributable Fair Value Reserve	Reserve on Exchange Differences	Retained Earnings	Treasury Shares	Total	Minority Interests	Total Equity
<b>At 1 January 2009</b>		370.4	1,152.1	303.4	-	(397.0)	11,055.4	(42.3)	12,442.0	8,971.4	21,413.4
Profit for the financial year		-	-	-	-	-	1,044.3	-	1,044.3	738.5	1,782.8
Other comprehensive income/(loss)		-	-	-	432.0	173.9	(5.2)	-	600.7	619.2	1,219.9
Total comprehensive income for the year		-	-	-	432.0	173.9	1,039.1	-	1,645.0	1,357.7	3,002.7
<b>Transactions with owners:</b>											
Effects arising from changes in composition of the Group		-	-	-	-	-	-	-	-	143.1	143.1
Effects of share-based payment		-	-	-	-	-	-	-	-	28.8	28.8
Effects of issue of shares by subsidiaries		-	-	-	-	-	(9.6)	-	(9.6)	1,697.5	1,687.9
<b>Total changes in ownership interests in subsidiaries that do not result in loss of control</b>		-	-	-	-	-	(9.6)	-	(9.6)	1,869.4	1,859.8
Issue of shares		0.1	2.9	-	-	-	-	-	3.0	-	3.0
Buy-back of shares		-	-	-	-	-	-	(0.7)	(0.7)	(63.6)	(64.3)
Dividend paid to minority shareholders		-	-	-	-	-	-	-	-	(310.4)	(310.4)
Others		-	-	(0.7)	-	-	2.1	-	1.4	0.8	2.2
Appropriation:											
Final dividend paid for financial year ended 31 December 2008 (4.0 sen less 25% income tax)		-	-	-	-	-	(110.9)	-	(110.9)	-	(110.9)
Interim dividend paid for financial year ended 31 December 2009 (3.0 sen less 25% income tax)	14	-	-	-	-	-	(83.1)	-	(83.1)	-	(83.1)
<b>Total contributions by and distributions to owners</b>		0.1	2.9	(0.7)	-	-	(191.9)	(0.7)	(190.3)	(373.2)	(563.5)
<b>Total transaction with owners</b>		0.1	2.9	(0.7)	-	-	(201.5)	(0.7)	(199.9)	1,496.2	1,296.3
<b>Balance at 31 December 2009</b>		370.5	1,155.0	302.7	432.0	(223.1)	11,893.0	(43.0)	13,887.1	11,825.3	25,712.4

## STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the Financial Year Ended 31 December 2010

Amounts in RM million unless otherwise stated

Company	Note	Share Capital	Distributable		Treasury Shares	Total
			Share Premium	Retained Earnings		
<b>At 1 January 2010</b>		<b>370.5</b>	<b>1,155.0</b>	<b>6,224.4</b>	<b>(43.0)</b>	<b>7,706.9</b>
Profit for the financial year		-	-	<b>493.6</b>	-	<b>493.6</b>
<b>Transactions with owners:</b>						
Issue of shares (see Note 33)		<b>0.9</b>	<b>24.1</b>	-	-	<b>25.0</b>
Buy-back of shares		-	-	-	<b>(0.2)</b>	<b>(0.2)</b>
Appropriation:						
Final dividend paid for financial year ended 31 December 2009 (4.2 sen less 25% income tax)	14	-	-	<b>(116.4)</b>	-	<b>(116.4)</b>
Interim dividend paid for financial year ended 31 December 2010 (3.3 sen less 25% income tax)	14	-	-	<b>(91.6)</b>	-	<b>(91.6)</b>
<b>Total transactions with owners</b>		<b>0.9</b>	<b>24.1</b>	<b>(208.0)</b>	<b>(0.2)</b>	<b>(183.2)</b>
<b>Balance at 31 December 2010</b>		<b>371.4</b>	<b>1,179.1</b>	<b>6,510.0</b>	<b>(43.2)</b>	<b>8,017.3</b>
<b>At 1 January 2009</b>		370.4	1,152.1	5,694.2	(42.3)	7,174.4
Profit for the financial year		-	-	724.2	-	724.2
<b>Transactions with owners:</b>						
Issue of shares (see Note 33)		0.1	2.9	-	-	3.0
Buy-back of shares		-	-	-	(0.7)	(0.7)
Appropriation:						
Final dividend paid for financial year ended 31 December 2008 (4.0 sen less 25% income tax)		-	-	(110.9)	-	(110.9)
Interim dividend paid for financial year ended 31 December 2009 (3.0 sen less 25% income tax)	14	-	-	(83.1)	-	(83.1)
<b>Total transactions with owners</b>		<b>0.1</b>	<b>2.9</b>	<b>(194.0)</b>	<b>(0.7)</b>	<b>(191.7)</b>
<b>Balance at 31 December 2009</b>		<b>370.5</b>	<b>1,155.0</b>	<b>6,224.4</b>	<b>(43.0)</b>	<b>7,706.9</b>

# STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2010

Amounts in RM million unless otherwise stated

	Group		Company	
	2010	2009	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	<b>4,394.3</b>	2,528.4	<b>686.6</b>	908.6
Adjustments for:				
Net impairment loss/(reversal of impairment loss)	<b>1,554.4</b>	157.0	<b>(24.6)</b>	10.8
Depreciation and amortisation	<b>1,191.7</b>	699.6	<b>1.3</b>	1.2
Finance cost	<b>723.9</b>	261.4	<b>134.6</b>	73.7
Impairment loss on receivables	<b>242.2</b>	10.0	-	-
Loss on discontinuance of cash flow hedge accounting using interest rate swaps	<b>145.4</b>	-	-	-
Net bad debts written off/(recovered)	<b>62.3</b>	(7.7)	-	-
Property, plant and equipment ("PPE") written off	<b>59.6</b>	2.2	-	-
PPE written down	<b>54.7</b>	-	-	-
Provision for share-based payment	<b>34.7</b>	23.3	-	-
Net provision for retirement gratuities	<b>33.1</b>	26.8	<b>9.6</b>	7.5
Share of results in jointly controlled entities	<b>8.8</b>	22.1	-	-
Fair value adjustment of long term receivables net of interest accretion	<b>5.8</b>	-	-	-
Net fair value loss on financial assets at fair value through profit or loss	<b>3.5</b>	-	-	-
Net loss on disposal of PPE and plantation development	<b>0.2</b>	0.1	-	-
Additional compensation arising from acquisition of freehold land	<b>(0.7)</b>	(2.6)	-	-
Dividend income	<b>(5.2)</b>	(0.5)	<b>(257.5)</b>	(244.1)
Net gain on disposal of available-for-sale financial assets	<b>(19.5)</b>	-	-	-
Net gain on disposal of subsidiaries	<b>(26.6)</b>	-	-	-
Net gain on disposal of short term investments	-	(37.3)	-	-
Investment income	<b>(46.9)</b>	(24.5)	<b>(1.0)</b>	-
Net fair value gain on derivative financial instruments	<b>(64.0)</b>	-	-	-
Share of results in associates	<b>(66.5)</b>	(42.5)	-	-
Net unrealised exchange (gain)/loss	<b>(79.3)</b>	(11.8)	<b>(1.7)</b>	0.8
Interest income	<b>(158.5)</b>	(124.9)	<b>(55.4)</b>	(54.9)
Net gain from Deferred Consideration	<b>(413.6)</b>	-	-	-
Net (gain)/loss on disposal/dilution of shareholdings arising from				
- Bond conversion	<b>(436.3)</b>	(33.0)	-	-
- Others	<b>(5.3)</b>	1.7	-	(213.3)
Net gain on disposal of land held for property development	-	(2.9)	-	-
Net write-back of diminution in value of investments	-	(22.7)	-	-
Waiver of amounts due by subsidiaries	-	-	-	1.0
(Reversal of)/provision for contingent losses	-	-	<b>10.2</b>	(2.3)
Other non-cash items	<b>18.6</b>	3.7	-	-
	<b>2,816.5</b>	897.5	<b>(184.5)</b>	(419.6)
<b>Operating profit before changes in working capital</b>	<b>7,210.8</b>	3,425.9	<b>502.1</b>	489.0
Working capital changes:				
Property development costs	<b>40.6</b>	11.1	-	-
Inventories	<b>(148.7)</b>	(10.6)	-	-
Receivables	<b>(1,566.7)</b>	(276.7)	-	-
Payables	<b>1,509.9</b>	223.0	<b>4.2</b>	3.2
Amounts due from jointly controlled entities	-	(1.9)	-	-
Amounts due to jointly controlled entities	<b>2.2</b>	2.2	-	-
Amounts due from subsidiaries	-	-	<b>(11.7)</b>	8.7
	<b>(162.7)</b>	(52.9)	<b>(7.5)</b>	11.9
<b>Cash generated from operations</b>	<b>7,048.1</b>	3,373.0	<b>494.6</b>	500.9
Taxation paid	<b>(805.2)</b>	(863.3)	<b>(127.8)</b>	(130.3)
Payment of retirement gratuities and other provision	<b>(3.5)</b>	(7.8)	-	(0.1)
Advance membership fees	<b>(2.9)</b>	0.6	-	-
Taxation refund	<b>45.2</b>	49.3	-	-
	<b>(766.4)</b>	(821.2)	<b>(127.8)</b>	(130.4)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>6,281.7</b>	2,551.8	<b>366.8</b>	370.5

## STATEMENTS OF CASH FLOWS (cont'd)

for the Financial Year Ended 31 December 2010

Amounts in RM million unless otherwise stated

	Group		Company	
	2010	2009	2010	2009
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of PPE	(3,584.6)	(5,205.1)	(3.2)	(0.6)
Purchase of intangible assets	(1,293.1)	(48.8)	-	-
Purchase of investments	(642.7)	(949.6)	(253.6)	(1,776.3)
Exploration cost incurred	(229.9)	(79.8)	-	-
Purchase of plantation development	(162.0)	(92.8)	-	-
Purchase of additional shares from minority shareholders	(62.1)	-	-	-
Investment in associates	(41.5)	(10.0)	-	-
Investment in jointly controlled entities	(23.3)	-	-	-
Purchase of leasehold land use rights	(7.1)	(23.5)	-	-
Costs incurred on land held for property development	(4.9)	(7.3)	-	-
Acquisition of subsidiaries *	(5.6)	(6.8)	-	-
Proceeds from disposal of PPE and plantation development	2.2	6.5	0.1	-
Return of foreign subsidiary's shareholders' loan	4.0	-	-	-
Dividends received	5.2	0.4	193.2	185.8
Dividends received from associates	4.1	2.6	-	-
Investment income received	37.8	17.8	0.9	-
Proceeds from disposal of subsidiaries	86.3	-	-	-
Interest received	155.8	123.0	13.1	8.7
Proceeds from disposal of investments	268.4	573.5	-	228.6
Proceeds from Deferred Consideration	429.3	-	-	-
Proceeds from disposal of land held for property development	-	7.5	-	-
Net repayment of advances by subsidiaries	-	-	-	43.0
Net advances to subsidiaries	-	-	(37.7)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,063.7)</b>	<b>(5,692.4)</b>	<b>(87.2)</b>	<b>(1,310.8)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	(1,902.4)	(2,131.4)	-	-
Restricted cash (deposit pledged as security for short term bank borrowings)	(636.6)	-	-	-
Finance cost paid	(603.5)	(412.3)	(76.5)	(10.2)
Dividends paid to minority shareholders	(333.0)	(310.4)	-	-
Dividends paid	(208.0)	(194.0)	(208.0)	(194.0)
Settlement of interest rate swaps	(168.9)	-	-	-
Buy-back of shares	(128.2)	(80.7)	(0.2)	(0.7)
Net proceeds from issue of shares	25.0	3.0	25.0	3.0
Proceeds from issue of Medium Term Notes	149.4	1,450.0	-	-
Proceeds from issue of shares to minority shareholders	31.1	1,689.6	-	-
Proceeds from bank borrowings	3,092.7	8,183.6	-	-
Borrowings from subsidiaries	-	-	38.5	1,407.6
Others	(52.7)	-	-	-
<b>NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(735.1)</b>	<b>8,197.4</b>	<b>(221.2)</b>	<b>1,205.7</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>482.9</b>	<b>5,056.8</b>	<b>58.4</b>	<b>265.4</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>14,392.6</b>	<b>9,303.3</b>	<b>574.9</b>	<b>310.3</b>
<b>EFFECT OF CURRENCY TRANSLATION</b>	<b>(327.0)</b>	<b>32.5</b>	<b>(2.7)</b>	<b>(0.8)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>14,548.5</b>	<b>14,392.6</b>	<b>630.6</b>	<b>574.9</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Bank balances and deposits (see Note 32)	12,772.7	11,475.6	290.9	126.8
Money market instruments (see Note 32)	1,775.8	2,917.0	339.7	448.1
	<b>14,548.5</b>	<b>14,392.6</b>	<b>630.6</b>	<b>574.9</b>

## STATEMENTS OF CASH FLOWS (cont'd)

for the Financial Year Ended 31 December 2010

### \* ANALYSIS OF THE ACQUISITION OF SUBSIDIARIES

Fair value of net assets acquired and net cash outflow on acquisition of subsidiaries by Genting Plantations Berhad ("GENP") Group, which is 54.6% owned by the Company, are analysed as follows:-

	Acquisition of		TOTAL
	SGSI-Asiatic Limited ("SAL") (a)	PT Surya Agro Palma ("PTSAP") (b)	
Plantation development	-	(0.4)	(0.4)
Leasehold land use rights	-	(31.3)	(31.3)
Intangible assets	(51.7)	-	(51.7)
Other receivables	-	(0.1)	(0.1)
Cash and bank balances	(0.3)	(0.3)	(0.6)
Other payables	0.1	0.1	0.2
Minority interests	-	11.6	11.6
Net assets acquired at date of acquisition	(51.9)	(20.4)	(72.3)
Less:			
Carrying amount of GENP Group's equity interest in SAL as jointly controlled entity prior to the Group acquiring control of SAL	1.8	-	1.8
Asset revaluation surplus arising from the recognition of the fair value of net assets on GENP Group's existing 50% equity interest in SAL	23.7	-	23.7
Total purchase consideration settled by way of issuance of shares in ACGT Sdn Bhd ("ACGT")	25.6	-	25.6
Other direct costs payable related to the acquisition	-	15.0	15.0
Cost of acquisition paid**	(0.8)	(5.4)	(6.2)
Less: Cash and bank balances acquired	0.3	0.3	0.6
Net cash outflow on acquisition of subsidiaries	<b>(0.5)</b>	<b>(5.1)</b>	<b>(5.6)</b>
Purchase consideration settled in cash for subscription of shares	-	(0.2)	(0.2)
Other direct costs related to acquisition settled in cash	(0.8)	(5.2)	(6.0)
**Cost of acquisition paid	(0.8)	(5.4)	(6.2)

- (a) This acquisition relates to a Subscription and Shareholders' Agreement ("SSA") between GENP, ACGT Sdn Bhd ("ACGT"), a 92% owned subsidiary of GENP, Synthetic Genomics, Inc ("SGI") and Green Resources LLC ("GRL") as announced by GENP on 11 June 2010.

Pursuant to the SSA, GRL has subscribed for 15,043,478 new ordinary shares of RM 1.00 each in ACGT, representing 8% of the enlarged issued and paid up share capital of ACGT, in exchange for GRL's 50% shareholding in SAL comprising 25,000 ordinary shares of USD2 each in SAL to ACGT for a consideration of RM25.6 million. SAL was jointly and equally held by Degan Limited, a wholly owned subsidiary of ACGT, and GRL prior to the completion of the aforesaid subscription.

GENP Group has completed the purchase price allocation exercise on the above acquisition and has accounted for the fair value adjustments accordingly.

- (b) This relates to the completion of acquisition of the 70% equity interest in PT Surya Agro Palma ("PTSAP") as announced by GENP on 5 February 2010. Sanggau Holdings Pte Ltd ("SAH"), an indirect wholly owned subsidiary of GENP, had on 5 February 2010 entered into a joint venture agreement ("JVA") with Palma Citra Investama Pte Ltd and PT Sawit Mandira to develop approximately 17,500 hectares of agricultural land (based on Izin Lokasi or Location Permit) into oil palm plantation in Kecamatan Toba, Kabupaten Sanggau, Provinsi Kalimantan Barat, Republic of Indonesia. PTSAP, the Joint Venture Company, had on 20 December 2010 received the acknowledgement of the Minister of Law and Human Rights effective from 17 December 2010 for the subscription by SAH of 700 ordinary shares of Rp1,000,000 each in PTSAP representing 70% of PTSAP's enlarged issued and paid-up share capital for a cash consideration of Rp700,000,000. Accordingly, the subscription of shares was completed on 17 December 2010 resulting in PTSAP becoming an indirect subsidiary of GENP. No goodwill arose from this acquisition.

The revenue and net loss of the above acquired subsidiaries included in the consolidated income statement of the GENP Group for the period from the dates of acquisition to 31 December 2010 amounted to Nil and RM42,000 respectively. Had the acquisitions taken effect on 1 January 2010, the revenue and net loss of the above acquired subsidiaries included in the consolidated income statement of the GENP Group would be Nil and RM200,000 respectively. These amounts have been calculated using the Group's accounting policies.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2010

Amounts in RM million unless otherwise stated

## 1. CORPORATE INFORMATION

Genting Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The Company is principally an investment holding and management company.

The principal activities of the subsidiaries include leisure and hospitality, gaming and entertainment businesses, development and operation of integrated resort, plantation, the generation and supply of electric power, property development and management, tours and travel related services, genomics research and development, investments and oil and gas exploration and development activities.

The principal activities of the associates include the generation and supply of electric power, resort, property investment, property development, provision of financial services and licensing of trade marks.

Details of the principal activities of the subsidiaries, jointly controlled entities and associates are set out in Note 48 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year, other than the cessation of oil and gas production activity, upon disposal of a subsidiary company on 10 December 2010.

## 2. BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with and comply with Financial Reporting Standards ("FRS"), the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the provisions of the Companies Act, 1965. The financial statements have been prepared on a historical cost basis, except as disclosed in the significant accounting policies below.

The preparation of financial statements in conformity with FRS and the provisions of the Companies Act, 1965 requires the Directors to make judgements, estimations and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgements in the process of applying the Company's accounting policies. Although these judgements and estimations are based on Directors' best knowledge of current events and actions, actual results could differ from those judgements and estimations.

### (a) Judgements and estimations

In the process of applying the Group's accounting policies, management makes judgements and estimations that can significantly affect the amount recognised in the financial statements. These judgements and estimations include:

#### (i) Income taxes

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant

judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. The Group also recognised certain tax recoverables for which the Group believes that there is reasonable basis for recognition. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions and tax recoverable balance in the period in which such determination is made.

#### (ii) Exploration costs

Exploration cost is accounted for in accordance with the full cost method. Under this method, all costs relating to the exploration activities are capitalised when incurred.

Exploration cost is written off to the income statement when:

- it is determined that further exploration activities will not yield commercial quantities of reserves, no further exploration drilling is planned and there is no existing production in the block or field; or
- the petroleum contract has expired or is surrendered.

In making decisions about whether to continue to capitalise exploration drilling costs, it is necessary to make judgements about the satisfaction of the above conditions after technical, commercial and management reviews. The Group is committed to continue exploring and developing these interests.

The Group decided not to proceed with further exploration work on one of the Group's oil and gas projects during the current financial year and consequently, capitalised costs of RM33.1 million were charged out to the income statement and recognised as impairment loss.

#### (iii) Impairment of intangible assets and property, plant and equipment

The Group tests intangible assets for impairment annually in accordance with its accounting policy. The calculations require the use of estimates as set out in Note 20.

The Group recognised impairment loss on property, plant and equipment as set out in Note 15.

#### (iv) Impairment of Available-for-sale financial asset

During the current financial year, the Group reviewed its investment in Walker Digital Gaming, LLC ("WDG") for potential impairment, in view of WDG's shift in its business and operational strategies to penetrate the competitive gaming equipment market. This shift in strategy resulted in a re-assessment of the Group's current carrying value of its investment in WDG. Consequently, an impairment loss of RM108.0 million, being the excess of the carrying value over the recoverable amount, has been charged to the profit or loss during the financial year ended 31 December 2010.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 2. BASIS OF PREPARATION (cont'd)

### (iv) Impairment of Available-for-sale financial asset (cont'd)

The recoverable amount was determined based on value in use ("VIU") calculation. The key assumptions used for the VIU calculation include:

No. of financial years projected	10 years
Growth rate	1%
Discount rate	15%

The discount rate used is assumed to reflect specific risks relating to the relevant industries. If the discount rate used is 1% lower with all other variables being held constant, the impairment for the Group will be lower by RM9.2 million. If the discount rate used is 1% higher with all other variables being held constant, the impairment loss for the Group will be higher by RM7.3 million.

### (b) Standards, amendments to published standards and interpretations that are effective

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group and Company's financial year beginning on or after 1 January 2010 are as follows:

- FRS 4 "Insurance Contract"
- FRS 7 "Financial Instruments: Disclosures" and the related Amendments
- FRS 8 "Operating Segments"
- FRS 101 (revised) "Presentation of Financial Statements"
- FRS 123 "Borrowing Costs"
- FRS 139 "Financial Instruments: Recognition and Measurement" and the related Amendments
- Amendment to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate"
- Amendment to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations"
- Amendments to FRS 132 "Financial Instruments: Presentation" and FRS 101 (revised) "Presentation of Financial Statements" - Puttable financial instruments and obligations arising on liquidation
- IC Interpretation 9 "Reassessment of Embedded Derivatives" and the related Amendments
- IC Interpretation 10 "Interim Financial Reporting and Impairment"
- IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions"
- IC Interpretation 13 "Customer Loyalty Programmes"
- IC Interpretation 14 "FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction"
- Improvements to FRSs (2009)

The adoption of these new FRSs, amendments and interpretations do not have any effect on the financial performance or financial position of the Group and Company except for those discussed below:

### Revised FRS 101 "Presentation of Financial Statements"

The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in two statements. As a result, the Group has presented all owner changes in equity in the consolidated statement of changes in equity whilst all non-owner changes in equity have been presented in the consolidated statement of comprehensive income. Certain comparative figures have been reclassified to conform with the current year's presentation. There is no impact on the earnings per share since these changes affect only the presentation of items of income and expenses.

### FRS 7 "Financial Instruments: Disclosures"

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 "Financial Instruments: Disclosure and Presentation". FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

### FRS 8 "Operating Segments"

Prior to the adoption of FRS 8, the Group's segment reporting was based on a primary reporting format of business segments. With the adoption of FRS 8, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision maker. Certain comparative figures have been reclassified to conform with the current year's presentation. As the change in accounting policy only impacts the presentation aspects, there is no impact on earnings per share.

### Amendment to FRS 117 "Leases"

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as leasehold land use rights in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incidental to ownership lie. Accordingly, the Group has reclassified certain leasehold lands to property, plant and equipment and investment properties. This change in classification has no effect on the results of the Group. The reclassification has been accounted for retrospectively in accordance with the transitional provision and certain comparative balances have been restated.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 2. BASIS OF PREPARATION (cont'd)

### (b) Standards, amendments to published standards and interpretations that are effective (cont'd)

Amendment to FRS 116 "Property, Plant and Equipment" and Amendment to FRS 140 "Investment Property"

Prior to the adoption of the Amendment to FRS 116 and Amendment to FRS 140, properties that were being constructed or developed for future use as investment properties were treated as construction-in-progress and classified as property, plant and equipment. With the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, such properties are treated as investment property in accordance with FRS 140. The comparatives have been restated to conform with current year's presentation.

The effects of the reclassification to the comparatives following the adoption of the Amendments to FRS 117, FRS 116 and FRS 140 as mentioned above are as follows:

	As previously reported	Effects of Amendments to FRS 116 and FRS 140	Effects of Amendment to FRS 117	As restated
<b>As at 31 December 2009</b>				
Leasehold land use rights	1,902.4	-	(1,787.4)	115.0
Investment properties	25.1	2.5	44.2	71.8
Property, plant and equipment	16,450.0	(2.5)	1,743.2	18,190.7
<b>As at 1 January 2009</b>				
Leasehold land use rights	1,850.9	-	(1,782.8)	68.1
Investment properties	26.0	2.5	44.7	73.2
Property, plant and equipment	10,691.6	(2.5)	1,738.1	12,427.2

#### IC Interpretation 13 "Customer Loyalty Programmes"

Award points accumulated by customers are treated as a separately identifiable component of the sales transactions in which they are awarded. Part of the revenue received or receivable is allocated to these points based on their fair value taking into account an estimated utilisation rate. The revenue attributed to the awarded points is deferred as a liability at the date of the initial sales transactions and only recognised when the points are redeemed.

Prior to the adoption of IC Interpretation 13, the revenue attributed to the awarded points is deferred as a liability at the date of the initial sales transactions based on cost per point. With the adoption of IC Interpretation 13, the fair value of the consideration received from the initial sales transactions is allocated between the award points and other components of the sale such that the award points are recognised at their fair value. Compared with the cost method applied as at 31 December 2009, the adoption of IC Interpretation 13 had no material impact on the prior year's financial statements of the Group and therefore, the impact is reflected in the current financial year ended 31 December 2010.

#### FRS 139 : Financial Instruments : Recognition and Measurement

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. Set out below are the major changes in classification of financial assets of the Group:

##### (i) Available-for-sale financial assets

Non-current investments, previously measured at cost and subject to impairment, are now classified as available-for-sale financial assets. These are initially measured at fair value

plus transaction costs and subsequently, at fair value. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Changes in the fair values of available-for-sale debt securities denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income. If there is any objective evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income, together with the related currency translation differences. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are reversed through other comprehensive income and not through profit or loss.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 2. BASIS OF PREPARATION (cont'd)

### (b) Standards, amendments to published standards and interpretations that are effective (cont'd)

#### (ii) Loans and receivables

Non-current receivables, previously measured at invoiced amount and subject to impairment, are now classified as loans and receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

#### (iii) Fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

#### (iv) Derivative financial instruments

Prior to 1 January 2010, derivative financial instruments were not recognised in the financial statements. With the adoption of FRS 139, derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- (a) hedges of the fair value of recognised liabilities (fair value hedge);
- (b) hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge); or
- (c) hedges of a net investment in a foreign operation (net investment hedge).

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss within fair value gains/(losses) on derivative financial instruments.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss within fair value gains/(losses) on derivative financial instruments.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges and accounted for under hedge accounting are recognised in the hedging reserve and transferred to 'Finance Cost' in the profit or loss when the interest expense on the borrowings is recognised in the profit or loss. The fair value changes on the ineffective portion of the interest rate swaps accounted for under hedge accounting are recognised immediately in the profit or loss. The fair value changes for interest rate swaps not accounted for under hedge accounting methods are recognised directly in the profit or loss.

The carrying amount of the derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

The fair value of the derivative financial instrument component embedded in the convertible bonds is determined at issuance of the convertible bonds with the residual amount being allocated to the value of the liability component of the bond. The derivative financial instrument component is remeasured at each accounting date. Resulting gains or losses arising from subsequent fair value remeasurements of derivative financial instruments are taken to the profit or loss. The fair values of derivative financial instruments are determined by using valuation techniques with assumptions mainly based upon market conditions at each reporting date.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 2. BASIS OF PREPARATION (cont'd)

### (b) Standards, amendments to published standards and interpretations that are effective (cont'd)

In accordance with the transitional provisions for first time adoption of FRS 139, the above changes in accounting policy have been accounted for prospectively and the comparatives are not restated. The effects arising from the adoption of FRS 139, other than those disclosed in the statements of changes in equity, is set out below:

	As previously reported	Effects of adopting FRS 139	After effects of adopting FRS 139
<b>Group</b>			
<b>Balances as at 1 January 2010</b>			
<u>Non-current assets</u>			
Plantation development	650.4	(0.8)	649.6
Jointly controlled entities	52.1	(10.9)	41.2
Financial assets at fair value through profit or loss	-	4.3	4.3
Available-for-sale financial assets	1,270.1	715.8	1,985.9
Other non-current assets	-	228.4	228.4
Other long term investments	681.0	(681.0)	-
Long term receivables	239.5	(239.5)	-
<u>Current assets</u>			
Trade and other receivables	977.0	(5.5)	971.5
Financial assets at fair value through profit or loss	-	28.5	28.5
Available-for-sale financial assets	-	287.7	287.7
Short term investments	314.1	(314.1)	-
<u>Non-current liabilities</u>			
Long term borrowings	12,659.5	(86.0)	12,573.5
Derivative financial instruments	-	68.3	68.3
Other non-current liabilities	261.5	(0.9)	260.6
Deferred tax liabilities	1,307.9	3.2	1,311.1
<u>Current Liabilities</u>			
Trade and other payables	2,381.9	(1.3)	2,380.6
Derivative financial instruments	-	415.7	415.7
<u>Equity</u>			
Retained earnings	11,893.0	(90.6)	11,802.4
Fair value reserve	432.0	0.2	432.2
Cash flow hedge reserve	-	(116.1)	(116.1)
Reserve on exchange differences	(223.1)	0.1	(223.0)
Minority interests	11,825.3	(179.7)	11,645.6

The following are effects arising from the above changes in accounting policies for the financial year ended 31 December 2010:

	Increase/ (Decrease) FRS 139
<b>Group</b>	
Net fair value gain on derivative financial instruments	64.0
Net fair value loss on financial assets at fair value through profit or loss	(3.5)
Other comprehensive income/(loss)	
- Cash flow hedges	(141.6)
- Available-for-sale financial assets	308.0
- Share of other comprehensive income of jointly controlled entities	7.5
- Share of other comprehensive income of associates	6.0
Basic earnings per share (sen)	0.80

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 2. BASIS OF PREPARATION (cont'd)

### (c) Standards, amendments to published standards and interpretation to existing standards that are applicable to the Group but not yet effective

The following new and revised standards, interpretations and amendments to standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2011 or later periods, but the Group has not early adopted them:

- The revised FRS 3 "Business combinations" (effective prospectively from 1 July 2010) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply FRS 3 (revised) prospectively to all business combinations from 1 January 2011.
- The revised FRS 124 "Related party disclosures" (effective from 1 January 2012) removes the exemption to disclose transactions between government-related entities and the government, and all other government-related entities. The following new disclosures are now required for government related entities:
  - The name of the government and the nature of their relationship;
  - The nature and amount of each individually significant transactions; and
  - The extent of any collectively significant transactions, qualitatively or quantitatively.

It is not expected to have a material impact on the earnings per share since these changes only result the additional disclosures.

- The revised FRS 127 "Consolidated and separate financial statements" (applies prospectively to transactions with non-controlling interests from 1 July 2010) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. When this standard is effective, all earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. It is not expected to have a material impact on the Group's financial statements.

- Amendment to FRS 2 "Share-based payment: Group cash-settled share-based payment transactions" (effective from 1 January 2011) clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. The amendments also incorporate guidance previously included in IC Interpretation 8 "Scope of FRS 2" and IC Interpretation 11 "FRS 2 – group and treasury share transactions", which shall be withdrawn upon application of this amendment. It is not expected to have a material impact on the Group's financial statements.
- Amendments to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective from 1 January 2011) requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The Group and Company will apply Amendments to FRS 7 from 1 January 2011. It is not expected to have a material impact on earnings per share since these changes only result in the additional disclosures.
- Amendment to FRS 132 "Financial instruments: Presentation" on classification of rights issues (effective from 1 March 2010) addresses accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity instruments instead of as derivative liabilities, regardless of the currency in which the exercise price is denominated. The Group and Company will apply Amendments to FRS 132 "Classification of Rights Issues" prospectively from 1 January 2011.
- IC Interpretation 4 "Determining whether an arrangement contains a lease" (effective from 1 January 2011) requires the Group to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. This interpretation provides guidance for determining whether such arrangements are, or contain, leases. The assessment is based on the substance of the arrangement and requires assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. If the arrangement contains a lease, the requirements of FRS 117 "Leases" should be applied to the lease element of the arrangement. The Group is currently assessing the impact of this interpretation on the financial statements.
- IC Interpretation 12 "Service concession arrangements" (effective from 1 July 2010) applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. Depending on the contractual terms, this interpretation requires the operator to recognise a financial asset if it has an unconditional contractual right to receive cash or an intangible asset if it receives a right (license) to charge users of the public service. Some contractual terms may give rise to both a financial asset and an intangible asset. The Group has applied the transitional provision which exempts entities from disclosing the possible impact arising from the initial application of this interpretation on the financial statements of the Group.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 2. BASIS OF PREPARATION (cont'd)

### (c) Standards, amendments to published standards and interpretation to existing standards that are applicable to the Group but not yet effective (cont'd)

- IC Interpretation 15 "Agreements for construction of real estates" (effective from 1 January 2012) supersedes FRS 201 "Property development activities" and clarifies that property development activities are sale of goods, instead of construction contracts. The Group will re-examine and, where applicable, retrospectively restate the revenue recognition for agreements that are in progress as at 1 January 2012 upon adoption of IC Interpretation 15.
- IC Interpretation 16 "Hedges of a net investment in a foreign operation" (effective from 1 July 2010) clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency, not presentation currency, and hedging instruments may be held by any entity in the group. The requirements of FRS 121 "The effects of changes in foreign exchange rates" do apply to the hedged item. It is not expected to have a material impact on the Group's and Company's financial statements.
- IC Interpretation 17 "Distribution of non-cash assets to owners" (effective from 1 July 2010) provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. FRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. It is not expected to have a material impact on the Group's and Company's financial statements.
- IC Interpretation 18 "Transfers of assets from customers" (effective prospectively for assets received on or after 1 January 2011) provides guidance where an entity receives from a customer an item of property, plant and equipment (or cash to acquire such an asset) that the entity must then use to connect the customer to a network or to provide the customer with services. Where the transferred item meets the definition of an asset, the asset is recognised as an item of property, plant and equipment at its fair value. Revenue is recognised for each separate service performed in accordance with the recognition criteria of FRS 118 "Revenue". The Group and Company will apply this IC Interpretation prospectively from 1 January 2011.
- IC Interpretation 19 "Extinguishing financial liabilities with equity instruments" (effective from 1 July 2011) provides clarification when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. A gain or loss, being the difference between the carrying value of the financial liability and the fair value of the equity instruments issued, shall be recognised in profit or loss. Entities are no longer permitted to reclassify the carrying value of the existing financial liability into equity with no gain or loss recognised in profit or loss. It is not expected to have a material impact on the Group's or Company's financial statements.

- Amendments to IC Interpretation 14 "FRS 119 - The limit on a defined benefit assets, minimum funding requirements and their interaction" (effective from 1 July 2011) permits an entity to recognise the prepayments of contributions as an asset, rather than an expense in circumstances when the entity is subject to a minimum funding requirement and makes an early payment of contributions to meet those requirements. It is not expected to have a material impact on Group's or Company's financial statements.

#### Improvements to FRSs:

- FRS 2 (effective from 1 July 2010) clarifies that contributions of a business on formation of a joint venture and common control transactions are outside the scope of FRS 2.
- FRS 3 (effective from 1 January 2011)
  - Clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by FRS.
  - Clarifies that the amendments to FRS 7, FRS 132 and FRS 139 that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of FRS 3 (2010). Those contingent consideration arrangements are to be accounted for in accordance with the guidance in FRS 3 (2005).
- FRS 5 "Non-current assets held for sale and discontinued operations" (effective from 1 July 2010) clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met.
- FRS 101 "Presentation of financial statements" (effective from 1 January 2011) clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.
- FRS 138 "Intangible Assets" (effective from 1 July 2010) clarifies that a group of complementary intangible assets acquired in a business combination may be recognised as a single asset if each asset has similar useful lives.
- IC Interpretation 9 (effective from 1 July 2010) clarifies that this interpretation does not apply to embedded derivatives in contracts acquired in a business combination, businesses under common control or the formation of a joint venture.

The above mentioned Improvements to FRSs are not expected to have any material impact on the Group's and Company's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 3. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Consolidation

Investments in subsidiaries are eliminated on consolidation while investments in jointly controlled entities and associates are accounted for by the equity method of accounting.

#### (a) Subsidiaries

The consolidated financial statements include the audited financial statements of the Company and all its subsidiaries made up to the end of the financial year. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiaries are consolidated using the purchase method of accounting whereby the results of subsidiaries acquired or disposed of during the financial year are included from the date of acquisition up to the date when control ceases. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiary acquired at the date of acquisition is reflected as goodwill. See accounting policy note on treatment of goodwill.

Negative goodwill, which represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition and is recognised directly in the profit or loss.

All material intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds or market value and the Group's share of its net assets together with any balance of goodwill on acquisition and exchange differences which were not previously recognised in the profit or loss.

Minority interests is measured at the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's net assets since that date.

#### (b) Jointly Controlled Entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties.

The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting. Equity accounting involves recognising the Group's share of the post acquisition results of jointly controlled entities in the profit or loss and its share of post acquisition movements within reserves in reserves. The cumulative post

acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition less impairment losses, where applicable. See accounting policy note on impairment of non-financial assets.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other parties in the ventures. The Group does not recognise its share of profits or losses from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

#### (c) Associates

Associates are companies in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies.

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising in the income statement the Group's share of the associates' results for the financial year. Equity accounting is discontinued when the carrying amount of the investment in an associate (including any other unsecured receivables) reaches zero, unless the Group has incurred obligation or made payment on behalf of the associate.

The Group's investments in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the assets transferred.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

### Property, Plant and Equipment

Property, plant and equipment are tangible items that:

- (i) are held for use in the production or supply of goods or services, or for administrative purposes; and
- (ii) are expected to be used during more than one period.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for certain properties which were revalued before 1998. In accordance with the transitional provision allowed by MASB upon first adoption of IAS 16, Property, Plant and Equipment, the valuation of these assets have not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation, amortisation and impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Property, Plant and Equipment (cont'd)

Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period that they are incurred.

Freehold land is stated at cost and is not depreciated. Leasehold land and property, plant and equipment which are under construction are not depreciated. Depreciation on assets under construction commences when the assets are ready for their intended use.

The depreciable amount of an item of property, plant and equipment is determined as the difference between the cost less its residual value. The residual value is the estimated amount that the Group expects to obtain from disposal of the asset, after deducting the estimated cost of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

The Group depreciates other assets based on their consumption pattern and is applied separately to each significant component.

	Years
Buildings and improvements	2 – 50
Plant, equipment and vehicles	2 – 20
Leasehold lands	2 – 880

The assets' residual values and useful lives are reviewed annually and revised if appropriate.

Where an indication of impairments exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are included in the profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

### Investment Properties

Investment properties consist of investments in land and buildings that are held for long-term rental yield and/or for capital appreciation and are not occupied by the Group.

Investment in freehold land is stated at cost. Other investment properties are stated at cost less accumulated depreciation and impairment losses. Depreciation for other investment properties is calculated using the straight-line method to allocate their cost over their estimated economic lives as follows:

	Years
Buildings and improvements	2 – 50

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Gains and losses on disposal are determined by comparing net disposal proceeds with carrying amount and are included in the profit or loss.

Investment properties under construction before 1 January 2010 were classified as property, plant and equipment and measured at cost. Following the amendment made to FRS 140, such properties are treated as investment property and accounted as such retrospectively.

### Leasehold Land Use Rights

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as leasehold land use rights (referred to as prepaid lease payments in FRS 117, Leases) that are amortised over the lease term in accordance with the pattern of benefits provided.

The Group has adopted the amendment made to FRS 117, Lease in 2010 in relation to the classification of lease of land. Leasehold land which in substance is a finance lease has been reclassified as property, plant and equipment and accounted as such retrospectively.

### Plantation Development

Plantation development comprises cost of planting and development on oil palms and other plantation crops.

Cost of new planting and development of plantation crops are capitalised from the stage of land clearing up to the stage of maturity. The cost of new planting capitalised is not amortised. However, where the cost of new planting is incurred on leasehold land which has unexpired period shorter than the crop's economic life, the cost is amortised over the remaining period of the lease on a straight line basis.

Replanting expenditure is charged to the profit or loss in the financial year in which the expenditure is incurred.

### Property Development Activities

#### (a) Land Held for Property Development

Land held for property development consist of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses, if any.

Cost comprises cost of land and all related cost incurred on activities necessary to prepare the land for its intended use. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS201<sub>2004</sub> Property Development Activities. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Land held for property development is transferred to property development costs and included under current assets when development activities have commenced and where the development activities can be completed within the normal operating cycle.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Property Development Activities (cont'd)

#### (b) Property Development Costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the percentage of completion method in respect of sales where agreements have been finalised. Under this method, profits are recognised as the property development activity progresses. The stage of completion is determined based on proportion of property development costs incurred for work performed up to the reporting date over the estimated total property development cost to completion.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable of recovery, and property development costs on the development units sold are recognised as an expense when incurred. Foreseeable losses, if any, arising when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, are recognised immediately in the profit or loss.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value. Upon completion of development, the unsold completed development properties are transferred to inventories.

Where revenue recognised in the profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the profit or loss, the balance is shown as progress billings under trade and other payables (within current liabilities).

### Financial Assets

#### (a) Classification

The Group classifies its financial assets in the following categories; at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

#### (i) Financial assets at fair value through profit or loss

There are two subcategories; financial assets held for trading and those designated as at fair value through profit or loss on initial recognition. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing more than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position (see accounting policy note on receivables).

#### (iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months of the reporting date.

#### (b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date-the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains - net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss and translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in the profit or loss when the Group's right to receive payments is established.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Financial Assets (cont'd)

#### (b) Recognition and measurement (cont'd)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

#### (c) Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through profit or loss.

### Intangible Assets

#### (a) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiaries at the date of acquisition. Goodwill is stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of annual impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

#### (b) Licences

Casino licences – indefinite life

The Group capitalises purchased casino licences. The amount capitalised is the difference between the price paid for a casino including the associated licence and the fair value of a similar property without a casino licence. Casino licences have indefinite useful lives as based on all relevant factors there is no foreseeable limit to the period over which the licences are expected to generate cash inflows. Each licence is reviewed annually for impairment and as such is stated at cost less any accumulated impairment losses.

Purchased licence – definite life

The Group capitalises purchased licence. The licence, which has definite useful life, is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised using the straight line method over its estimated useful life. The amortisation period and amortisation method are reviewed at each reporting date.

The effects of any revision are recognised in profit or loss when changes arise. Where an indication of impairment exists, the carrying amount of licences is assessed and written down immediately to its recoverable amount.

Casino and theme park licences - Singapore

Casino and theme park licences are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Such cost is amortised using the straight line method over 3 to 30 years (2009: 30 years), which is the shorter of its estimated useful life and periods of contractual right. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in the profit or loss when changes arise. Amortisation is recognised in profit or loss unless the amount can be capitalised as part of construction-in-progress. Where an indication of impairment exists, the carrying amount of licence is assessed and written down immediately to its recoverable amount.

#### (c) Royalty

Royalty expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method over the estimated useful lives, not exceeding a period of 20 years.

#### (d) Trademark

Trademark is stated at cost less any accumulated impairment losses. Trademark has an indefinite useful life as it is maintained through continuous marketing and upgrading. See accounting policy on impairment of non-financial assets.

#### (e) Rights

Acquired licenses of independent power plant are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method over the licensing agreement periods.

#### (f) Research and Development Expenditure

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) Management intends to complete the intangible asset and use or sell it;
- (iii) There is an ability to use or sell the intangible asset;
- (iv) It can be demonstrated that the intangible asset will generate probable future economic benefits;
- (v) Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (vi) The expenditure attributable to the intangible asset during its development can be reliably measured.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Intangible Assets (cont'd)

#### (f) Research and Development Expenditure (cont'd)

Collaborations and alliances are maintained with third parties for provision of research and development expertise and capacity in genomics for the achievement of performance milestones. Milestones payments are capitalised to the extent that the capitalisation criteria in FRS 138 - Intangible Assets are met. Judgement is involved in determining whether amount paid meets the performance milestones so as to enable the amount to be capitalised as intangible assets.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use or sale, on a straight-line basis over the estimated useful lives, not exceeding 20 years.

#### (g) Intellectual Property Rights

Acquired intellectual property ("IP") rights are stated at cost less accumulated amortisation and accumulated impairment losses. The IP rights are amortised from the point at which the asset is ready for use or sales, on a straight line basis over its useful life, not exceeding 20 years.

Intangible assets which have indefinite useful lives are tested for impairment annually in accordance with FRS 136. See accounting policy note on impairment of non-financial assets for intangible assets that have definite useful lives.

### Exploration Cost

Exploration cost is accounted for in accordance with the full cost method. Under this method, all costs relating to the exploration activities are capitalised when incurred. Exploration cost is written off to the income statement when:

- it is determined that further exploration activities will not yield commercial quantities of reserves, no further exploration drilling is planned and there is no existing production in the block or field; or
- the petroleum contract has expired or is surrendered.

Exploration cost is stated net of impairment loss.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less costs of completion and selling expenses. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

### Non-Current Assets Held for Sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than a continuing use.

### Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment loss. An impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the profit or loss. An impairment loss is reversed only to the extent of previously recognised impairment loss for the same asset. The reversal is recognised in the profit or loss.

### Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances (net of bank overdrafts), money market instruments, deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are included within short term borrowings in current liabilities in the statement of financial position. Fixed deposits pledged with banks as securities for banking facilities granted to the Company or subsidiary are not cash and cash equivalents.

### Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### Finance Leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. The Group adopts the following accounting policy in respect of accounting by a lessee.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge incurred on qualifying assets are capitalised until the assets are ready for their intended use after which such expense is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated over the shorter of the estimated useful life of the asset and the lease term.

### Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets or liabilities with another entity that are potentially unfavourable to the issuer.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Share Capital (cont'd)

Incremental costs directly attributable to the issue of new shares, options or for the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

### Treasury Shares

A purchase by the Company or its subsidiaries of its own equity shares is accounted for under the treasury stock method. Under this method, the shares repurchased and held as treasury shares is measured and carried at the cost of repurchase (including any directly attributable incremental external costs, net of tax) on initial recognition and subsequently. On presentation in the statement of financial position, the carrying amount of the treasury shares is offset against equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or the distributable reserves, or both. Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is shown as the movement in equity. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

### Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### (a) Borrowings

Borrowings are recognised initially based on proceeds received. Subsequently, borrowings are stated at amortised cost using the effective interest method; any difference between the amount recorded as borrowings and the associated redemption value is recognised in the income statement over the period of the borrowings.

Costs incurred on borrowings to finance qualifying assets are capitalised until the assets are ready for their intended use after which such expenses are charged to the income statement. All other borrowing costs are charged to the income statement.

#### (b) Convertible bonds

On issuance of convertible bonds, the proceeds are allocated between the derivative financial instrument component arising from the conversion option, and the liability component of the bond. The derivative financial instrument component is recognised at its fair value. The liability component is recognised as the difference between total proceeds and the fair value of the derivative financial instrument component.

The derivative financial instrument component is subsequently carried at its fair value with fair value changes recognised in the profit or loss. The liability component is carried at amortised cost until the liability is extinguished on conversion or redemption.

When a conversion option is exercised, the carrying amounts of the liability component and the derivative financial instrument component are derecognised with a corresponding recognition of share capital.

### Impairment of Non-Financial Assets

The carrying amounts of assets, with the exception of inventories, assets arising from construction contracts, deferred tax assets and financial assets (excluding investments in subsidiaries, jointly controlled entities and associates), are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, an impairment review is performed to assess whether the carrying amount of the asset is fully recoverable.

Irrespective of whether there is any indication of impairment, the Group also:

- (a) tests intangible assets with indefinite useful life for impairment annually by comparing its carrying amount with its recoverable amount.
- (b) tests goodwill acquired in a business combination for impairment annually.

Impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to the income statement, unless the asset is carried at revalued amount, in which case the impairment loss is used to reduce the revaluation surplus.

Assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset unless the asset is carrying at revalued amount, in which case the reversal is treated as an increase to revaluation reserve. An impairment loss recognised for goodwill will not be reversed in a subsequent period.

### Contingent Liabilities and Contingent Assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements, except in a business combination. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. When a change in the probability of an outflow of economic resources occurs, so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses their existence where inflows of economic benefits are probable, but not virtually certain. When inflow of economic resources is virtually certain, the asset is recognised.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Contingent Liabilities and Contingent Assets (cont'd)

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where the fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118.

### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits received under it.

### Income Taxes

#### (a) Current Taxation

Current taxation is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable income and is measured using the tax rates which are applicable at the reporting date.

#### (b) Deferred Taxation

Deferred tax liabilities and/or assets are recognised, using liability method, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their related tax bases. However, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluations is also recognised. Deferred tax liabilities and assets are measured at the tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, jointly controlled entities and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

### Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

### Employee Benefits

#### (a) Short-Term Employee Benefits

Short-term employee benefits include wages, salaries, bonus, social security contributions and paid annual leave. These benefits are accrued when incurred and are measured on an undiscounted basis.

#### (b) Post-Employment Benefits

Defined contribution plans

Post-employment benefits include defined contribution plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. These benefits are accrued when incurred.

#### (c) Long-Term Employee Benefits

Long-term employee benefits include retirement gratuities payable under a retirement gratuity scheme which was established in 1991 by the Board of Directors for Executives and Executive Directors of the Company and certain subsidiaries. The level of retirement gratuities payable is determined by the Board of Directors in relation to the past services rendered and it does not take into account the employee's service to be rendered in later years up to retirement. The gratuity, which is calculated based either on length of service and basic salary as at the reporting date or on the basis of emoluments earned in the immediate past three years, is a vested benefit when the employee reaches retirement age.

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the reporting date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Employee turnover is also factored in arriving at the level of the retirement gratuities payable. The differences arising from the application of such discounting as well as any past service costs and the effects of any curtailments or settlements, if any, are recognised immediately in the profit or loss.

Such retirement gratuities payable are classified as current liabilities where it is probable that a payment will be made within the next twelve months and also provided that the amount has been approved for payment by the Board of Directors.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Employee Benefits (cont'd)

#### (d) Share-based compensation

The Company together with its listed subsidiaries, each operate an equity-settled, share-based compensation plan, where share options are issued by the respective companies to their respective eligible executives and directors.

The fair value of employee services rendered in exchange for the grant of the share options is recognised as an expense over the vesting period. The total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each share option granted at the grant date and the number of share options vested by vesting date, with a corresponding increase in equity. At each reporting date, the respective companies will revise its estimates of the number of share options that are expected to become exercisable. The option reserves in respect of options which have lapsed are transferred to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

### Revenue Recognition

Sales are recognised upon delivery of products or performance of services, net of sales tax and discounts, and after eliminating sales within the Group.

Sales relating to property development projects are recognised progressively as the project activity progresses and are in respect of sales where agreements have been finalised. The recognition of sales is based on the percentage of completion method and is consistent with the method adopted for profit recognition.

Sales of short term investments are accounted net of the cost of the respective investments when the contracts are executed.

Casino revenue represents net house takings. The casino licence in Malaysia is renewable every three months.

Dividend income is recognised when the right to receive payment is established.

### Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial year in which the obligation to pay is established.

### Interest income

Interest income is recognised using the effective interest method.

### Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

#### (c) Group companies

On consolidation the results and financial position of all the Group's entities which have a functional currency different from that of the Group's presentation currency are translated into the Group's presentation currency as follows:

- (i) assets and liabilities are translated at the closing rate at the reporting date;
- (ii) income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, such exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### Derivative financial instruments and hedging activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Derivative financial instruments and hedging activities (cont'd)

The Group designates certain derivatives as either:

- (i) hedges of the fair value of recognised liabilities (fair value hedge);
- (ii) hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge); or
- (iii) hedges of a net investment in a foreign operation (net investment hedge).

#### (a) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss within fair value gains / (losses) on derivative financial instruments.

When a hedging instrument expires or is sold, or when the cash flow hedge is discontinued or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss within fair value gains / (losses) on derivative financial instruments.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges and accounted for under hedge accounting are recognised in the hedging reserve and transferred to 'Finance Cost' in the profit or loss when the interest expense on the borrowings is recognised in the profit or loss. The fair value changes on the ineffective portion of the interest rate swaps accounted for under hedge accounting are recognised immediately in the profit or loss. The fair value changes for interest rate swaps not accounted for under hedge accounting methods are recognised directly in the profit or loss.

The carrying amount of the derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

#### (b) Embedded derivatives in convertible bond

The fair value of the derivative financial instrument component embedded in the convertible bonds is determined at issuance of the convertible bonds with the residual amount being allocated to the value of the liability component of the bond. The derivative financial instrument component is remeasured at each reporting date. Resulting gains or losses arising from subsequent fair value remeasurements of derivative financial instruments are taken to the profit or loss. The fair values of derivative financial instruments are determined by using valuation techniques with assumptions mainly based upon market conditions at each reporting date.

## Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chairman and Chief Executive and the President and Chief Operating Officer of the Company.

## 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### (a) Financial risk factors

The Group's overall financial risk management objective is to optimise the value creation for shareholders. The Group seeks to minimise the potential adverse impacts arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within clearly defined guidelines that are approved by the Board of Directors and do not trade in financial instruments as a business activity. Financial risk management is carried out through risk reviews conducted at all significant operating units. This process is further enhanced by effective internal controls, a comprehensive insurance programme and adherence to the financial risk management policies.

The main areas of financial risks faced by the Group are as follows:

#### (i) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk when the subsidiaries enter into transactions that are not denominated in their functional currencies. The Group attempts to significantly limit its exposure for committed transactions by entering into forward foreign currency exchange contracts within the constraints of market and government regulations.

The Group's principal foreign currency exposure relates mainly to the Singapore Dollar ("SGD"), Pound Sterling ("GBP"), United States Dollar ("USD"), Renminbi ("RMB") and Hong Kong Dollar ("HKD") in the current financial year.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(i) Foreign currency exchange risk (cont'd)

The Group's exposure to foreign currencies in respect of its financial assets and financial liabilities is as follows:

	SGD	GBP	USD	RMB	HKD	Others	Total
<b>At 31 December 2010</b>							
<b>Financial assets</b>							
Financial assets at fair value through profit or loss	-	13.4	-	-	8.6	2.3	24.3
Available-for-sale financial assets	-	-	266.5	-	406.8	-	673.3
Trade and other receivables	-	9.1	74.9	0.1	20.4	26.4	130.9
Amounts due from jointly controlled entities	-	66.5	-	-	-	-	66.5
Cash and cash equivalents	38.6	21.3	531.0	1.9	367.9	5.2	965.9
	<b>38.6</b>	<b>110.3</b>	<b>872.4</b>	<b>2.0</b>	<b>803.7</b>	<b>33.9</b>	<b>1,860.9</b>
<b>Financial liabilities</b>							
Trade and other payable	(0.1)	(0.4)	(98.1)	(0.2)	(20.9)	(22.8)	(142.5)
Borrowings	-	-	(1,171.1)	-	-	-	(1,171.1)
	<b>38.5</b>	<b>109.9</b>	<b>(396.8)</b>	<b>1.8</b>	<b>782.8</b>	<b>11.1</b>	<b>547.3</b>

The following table demonstrates the sensitivity of the Group's profit after tax and equity to 10% strengthening of each respectively in the SGD, GBP, USD, RMB and HKD against the RM, with all other variables in particular interest rates held constant.

2010 Group	Increase/(Decrease)	
	Profit after tax	Equity
RM against SGD	3.9	-
RM against GBP	11.0	-
RM against USD	(66.3)	26.7
RM against RMB	0.2	-
RM against HKD	37.6	40.7

A 10% weakening of the above currencies against the RM would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

At the Company level, the Company is not exposed to any material foreign exchange risk.

(ii) Interest rate risk

Interest rate risks arise mainly from the Group's borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting the borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with financial institutions to exchange, at specified intervals, the difference between the fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts. The Group also enters into Interest Rate Capped Libor-In-Arrears Swap ("IRCLIA") contract to limit its exposure to fluctuation in interest rate movements if the interest rate moves beyond the capped rate.

The Group's outstanding borrowings as at year end at variable rates on which hedges have not been entered into are denominated mainly in SGD, RMB and GBP. At the reporting date, if annual interest rates had been 1% higher/lower respectively, with all other variables in particular foreign exchange rates and including tax rate being held constant, the profit after tax will be lower/higher by RM107.4 million as a result of increase/decrease in interest expense on these borrowings.

(iii) Credit risk

Exposure to credit risk arises mainly from sales made on deferred credit terms, cash and cash equivalents, deposits

with financial institutions, money market instruments and debt securities. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers which accounts exceed the stipulated credit terms. Credit limits are set and credit history is reviewed to minimise potential losses.

The Group avoids, where possible, any significant exposure to a single customer. However, in the ordinary course of business, certain subsidiaries in the Group's Power Segment have trade receivables that are solely from their oftakers, the provincial or national electricity utility companies. As such, the counter party risk is considered to be minimal.

In managing credit risk exposure from trade receivables, Genting Singapore PLC ("GENS") Group, which is an indirect 51.7% owned by the Company, has established Credit Committee and processes to evaluate the creditworthiness of its counterparties. The counterparty's payment profile and credit exposure are continuously monitored by the Credit Committee, together with the operational policies and guidelines. Credit exposure to an individual counterparty is restricted by the credit limits set by the Credit Committee based on the ongoing credit evaluation.

The top 10 trade debtors of GENS Group as at 31 December 2010 represented 22% of its trade receivables. There was no concentration of credit risk in 2009.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (iii) Credit risk (cont'd)

The GENS Group also establishes an allowance account for impairment that represents its estimate of losses in respect of trade and other receivables. The main component of this allowance is estimated losses that relate to the specific counterparties. Subsequently, when the GENS Group is satisfied that no recovery of such losses is possible, the trade and other receivable is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired trade and other receivable.

The Group's cash and cash equivalents and short term deposits are placed with creditworthy financial institutions which have been approved by the Group Executive Committee. The risks arising therefrom are minimised by the setting of exposure limits for each financial institution and the tenure of the placements which are normally less than one year. The approved exposure limit for each of the financial institution is subjected to regular reviews. To minimise the Group's counterparty risk, the Group enters into derivative transactions only with creditworthy financial institutions.

The Group is exposed to credit risk from non-related counterparties where the Group holds debt securities issued by those entities. The Group only holds debt securities with issuers which are of investment grade.

The Group also seeks to invest cash assets safely and profitably and buys insurance to protect itself against insurable risks. In this regard, counterparties are assessed for credit risk and limits are set to minimise any potential losses. The Group's cash and cash equivalents and short-term deposits are placed with creditworthy financial institutions and the risks arising therefrom are minimised in view of the financial strength of these financial institutions.

At the Company level, credit risk arises from amounts due from subsidiaries, cash and cash equivalents, income fund, deposits with banks and financial institutions. The Company's exposure to bad debts is not significant since the subsidiaries do not have historical default risk. The Company also manages its credit risk by performing regular reviews of the ageing profile of amounts due from subsidiaries. The credit risk on income fund is limited because the fund is ultimately deposited with creditworthy financial institutions.

#### Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 30. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

#### Financial assets that are either past due or impaired

Information regarding trade receivables that are past due or impaired is disclosed in Note 30.

Apart from those disclosed above, none of the other financial assets is either past due or impaired.

### (iv) Price risk

The Group is exposed to equity securities price risk from its investment in quoted securities classified as financial assets at fair value through profit or loss and available-for-sale financial assets, and volatility in market prices of palm products and coal. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio and diversification of the portfolio is done in accordance with the limits set by the Group. The Group manages the risk of the price of palm products and coal through established guidelines and policies.

If the prices of equity securities listed in the respective countries change by 1% respectively with all other variables including tax rate being held constant, the Group's profit after tax and equity for the current financial year will be as follows:

Group	Increase/Decrease	
	Profit after tax	Equity
Listed in Hong Kong		
- increase/decrease 1%	0.1	6.3
Listed in the United Kingdom		
- increase/decrease 1%	0.2	2.7
Listed in Singapore		
- increase/decrease 1%	-	16.4

Profit after tax would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as available-for-sale.

If the price of the palm products and coal change by 5% respectively with all other variables including tax rate being held constant, the Group's profit after tax and equity for the current financial year will be as follows:

Group	Increase/Decrease	
	Profit after tax	Equity
Effect of change in palm products prices		
- increase/decrease 5%	28.4	-
Effect of change in coal prices		
- increase/decrease 5%	48.5	-

### (v) Liquidity risk

The Group practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

The Group manages its liquidity risk with the view to maintaining a healthy level of cash and cash equivalents appropriate to the operating environment and expected cash flows of the Group. Liquidity requirements are maintained within its undrawn committed borrowing facilities at all times and are sufficient and available to the Group to meet its obligations.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (v) Liquidity risk (cont'd)

Generally, surplus cash held by the operating entities over and above the balance required for working capital management are managed by the Group Treasury. The Group Treasury invests surplus cash in interest bearing accounts, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned cash flows of the Group.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<b>As at 31 December 2010</b>				
Other non-current liabilities	-	61.1	-	-
Derivative financial instruments	4.4	0.4	1.0	-
Trade and other payables	4,090.6	-	-	-
Borrowings	1,977.2	1,469.5	9,521.9	2,266.5
Amount due to a jointly controlled entity	4.5	-	-	-
<b>Company</b>				
<b>As at 31 December 2010</b>				
Trade and other payables	24.0	-	-	-
Amounts due to subsidiaries - current	21.5	-	-	-
Amounts due to subsidiaries - non-current	-	-	943.5	1,446.2

### (b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to provide returns for shareholders and benefits for other stakeholders.

In order to optimise the capital structure, or the capital allocation amongst the Group's various businesses, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy back issued shares, take on new debt or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital utilisation on the basis of the gearing ratio. This ratio

is calculated as total debt divided by total capital. Total debt is calculated as total borrowings (including 'short term and long term borrowings' as shown in the statements of financial position). Total capital is calculated as the sum of total equity and total debt.

The gearing ratio as at 31 December 2010 is as follows:

Group	2010
Total debt	13,431.1
Total equity	29,446.5
Total capital	42,877.6
Gearing ratio	31%

## 5. SEGMENT ANALYSIS

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The chief operating decision-maker considers the business from both a geographic and industry perspective and has the following reportable operating segments:

Leisure & Hospitality	- This segment includes the hotel, gaming and entertainment businesses, tours & travel related services and other support services. The contribution from non-gaming operations is not significant.
Power	- This segment is involved in the generation and supply of electric power.
Plantation	- This segment is involved mainly in oil palm plantations, palm oil milling and related activities.
Oil & Gas	- This segment is involved in oil & gas exploration, development, production and sale of crude oil.
Property	- This segment is involved in property development activities.

All other immaterial business segments including investments in equities are aggregated and disclosed under "Investments & Others" as they are not of a sufficient size to be reported separately.

The performance of the operating segments is based on a measure of adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA"). This measurement basis also excludes the effects of non-recurring items from the operating segments, such as fair value gains and losses, impairment losses, pre-opening and development expenses as well as assets written off, gain or loss on disposal of assets and share-based compensation.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables, available-for-sale financial assets, financial assets at fair value through profit or loss, and cash and cash equivalents. Segment assets exclude interest bearing instruments, jointly controlled entities, associates, deferred tax assets and tax recoverable as these assets are managed on a group basis.

Segment liabilities comprise operating liabilities. Segment liabilities exclude interest-bearing instruments, tax payables and deferred tax liabilities as these liabilities are managed on a group basis.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 5. SEGMENT ANALYSIS (cont'd)

The segment analysis of the Group is set out below:

	Leisure & Hospitality				Power	Plantation	Oil & Gas	Property	Investments & Others	Total
	Malaysia	Singapore	United Kingdom & Others	Total						
<b>2010</b>										
<b>Revenue</b>										
Total revenue	6,070.1	6,384.2	982.6	13,436.9	1,576.2	900.2	124.0	112.8	162.4	16,312.5
Inter segment	(1,009.5)	-	-	(1,009.5)	-	-	(10.0)	(6.4)	(91.9)	(1,117.8)
External	5,060.6	6,384.2	982.6	12,427.4	1,576.2	900.2	114.0	106.4	70.5	15,194.7
<b>Results</b>										
Adjusted EBITDA	2,482.0	3,352.0	146.4	5,980.4	546.4	441.1	23.0	27.4	92.6	7,110.9
Net gain on dilution of shareholding arising from bond conversions	-	-	-	-	-	-	-	-	436.3	436.3
Net gain arising from Deferred Consideration	-	-	-	-	-	-	413.6	-	-	413.6
Net fair value gain/(loss) on derivative financial instruments	-	-	68.3	68.3	(4.3)	-	-	-	-	64.0
Net fair value loss on financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	(3.5)	(3.5)
Loss on discontinuance of cash flow hedge accounting using interest rate swaps	-	(145.4)	-	(145.4)	-	-	-	-	-	(145.4)
Net impairment loss	(2.9)	-	(1,149.3)	(1,152.2)	(222.8)	-	(71.4)	-	(108.0)	(1,554.4)
Others (include pre-opening and development expenses, assets written off, gain or loss on disposal of assets and share-based compensation)	-	(213.0)	(24.0)	(237.0)	-	-	-	-	9.2	(227.8)
EBITDA	2,479.1	2,993.6	(958.6)	4,514.1	319.3	441.1	365.2	27.4	426.6	6,093.7
Depreciation and amortisation	(252.7)	(555.5)	(51.2)	(859.4)	(241.3)	(28.1)	(45.2)	(5.8)	(11.9)	(1,191.7)
Interest income										158.5
Finance cost										(723.9)
Share of results in jointly controlled entities	-	5.1	(13.4)	(8.3)	-	-	-	(0.2)	(0.3)	(8.8)
Share of results in associates	3.3	-	(0.3)	3.0	62.3	5.3	-	(0.1)	(4.0)	66.5
Profit before taxation										4,394.3
Taxation										(983.6)
Profit for the financial year										3,410.7
<b>2009</b>										
<b>Revenue</b>										
Total revenue	6,011.2	-	1,092.7	7,103.9	1,871.0	675.4	153.4	112.0	163.8	10,079.5
Inter segment	(1,087.0)	-	-	(1,087.0)	-	-	(10.0)	(15.4)	(73.5)	(1,185.9)
External	4,924.2	-	1,092.7	6,016.9	1,871.0	675.4	143.4	96.6	90.3	8,893.6
<b>Results</b>										
Adjusted EBITDA	2,494.5	0.1	163.2	2,657.8	628.0	308.9	47.6	27.3	101.8	3,771.4
Impairment loss	(2.3)	-	-	(2.3)	-	-	(75.7)	-	(79.0)	(157.0)
Net gain on dilution of shareholding arising from bond conversions	-	-	-	-	-	-	-	-	33.0	33.0
Others (include pre-opening expenses, assets written off, gain or loss on disposal of assets and share-based compensation)	-	(303.1)	-	(303.1)	-	-	-	-	(0.1)	(303.2)
EBITDA	2,492.2	(303.0)	163.2	2,352.4	628.0	308.9	(28.1)	27.3	55.7	3,344.2
Depreciation and amortisation	(269.7)	(11.8)	(77.0)	(358.5)	(264.9)	(23.8)	(43.0)	(6.1)	(3.4)	(699.7)
Interest income										124.9
Finance cost										(261.4)
Share of results in jointly controlled entities	-	(0.2)	(21.5)	(21.7)	-	-	-	-	(0.4)	(22.1)
Share of results in associates	0.2	-	-	0.2	39.2	5.5	-	-	(2.4)	42.5
Profit before taxation										2,528.4
Taxation										(745.6)
Profit for the financial year										1,782.8

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 5. SEGMENT ANALYSIS (cont'd)

	Leisure & Hospitality				Power	Plantation	Oil & Gas	Property	Investments & Others	Total
	Malaysia	Singapore	United Kingdom & Others	Total						
<b>2010</b>										
<b>Assets</b>										
Segment assets	3,926.7	17,396.3	4,647.3	25,970.3	2,870.8	1,871.3	745.1	1,096.2	3,525.4	36,079.1
Interest bearing instruments										11,834.1
Jointly controlled entities	-	46.9	2.0	48.9	-	-	-	12.2	1.2	62.3
Associates	347.3	-	1.5	348.8	336.4	15.2	-	2.5	63.0	765.9
Unallocated corporate assets										272.7
<b>Total assets</b>										<b>49,014.1</b>
<b>Liabilities</b>										
Segment liabilities	850.2	2,571.3	438.6	3,860.1	201.1	148.1	65.6	89.4	45.8	4,410.1
Interest bearing instruments										13,456.9
Unallocated corporate liabilities										1,700.6
<b>Total liabilities</b>										<b>19,567.6</b>
<b>Other Disclosure</b>										
Capital expenditure *	184.7	3,295.8	157.8	3,638.3	92.1	307.9	107.3	0.5	37.0	4,183.1
Other significant non-cash charges	61.8	194.6	33.6	290.0	45.7	0.7	0.1	(0.3)	1.1	337.3
<b>2009</b>										
<b>Assets</b>										
Segment assets	4,179.0	12,433.8	4,429.3	21,042.1	3,349.1	1,783.3	746.5	1,085.8	1,949.1	29,955.9
Interest bearing instruments										12,606.5
Jointly controlled entities	-	-	48.7	48.7	-	-	-	-	3.4	52.1
Associates	344.9	-	-	344.9	291.1	12.9	-	2.6	21.3	672.8
Unallocated corporate assets										213.7
<b>Total assets</b>										<b>43,501.0</b>
<b>Liabilities</b>										
Segment liabilities	778.7	1,110.1	407.3	2,296.1	201.5	167.6	118.8	34.8	(33.6)	2,785.2
Interest bearing instruments										13,473.3
Unallocated corporate assets										1,530.1
<b>Total liabilities</b>										<b>17,788.6</b>
<b>Other Disclosure</b>										
Capital expenditure *	120.5	5,947.8	29.2	6,097.5	48.0	237.7	66.0	1.4	6.5	6,457.1
Other significant non-cash charges	26.9	-	(7.4)	19.5	6.9	0.7	0.1	-	5.1	32.3

\* Includes capital expenditure in respect of property, plant and equipment, investment properties, plantation development and leasehold land use rights.

### Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets		Capital expenditure	
	2010	2009	2010	2009	2010	2009
Malaysia	6,993.6	6,661.9	6,443.5	6,560.1	287.3	191.5
Singapore	6,384.7	1.0	12,997.8	10,474.0	3,295.9	5,947.9
Asia Pacific (excluding Malaysia & Singapore)	793.5	1,085.1	2,653.5	2,756.7	442.2	290.5
United Kingdom/Europe *	983.3	1,085.4	2,540.5	4,151.2	110.4	27.2
Other countries	39.6	60.2	1,245.6	3.0	47.3	-
	<b>15,194.7</b>	<b>8,893.6</b>	<b>25,880.9</b>	<b>23,945.0</b>	<b>4,183.1</b>	<b>6,457.1</b>

\* More than 90% is derived from United Kingdom.

Non-current assets information presented above consists of non-current assets other than investment in jointly controlled entities, associates, financial instruments and deferred tax assets as presented in the consolidated statements of financial position.

There are no revenues derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue during the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

### 6. REVENUE

	Group		Company	
	2010	2009	2010	2009
Rendering of services:				
Leisure & hospitality	12,427.4	6,016.9	-	-
Rental and property management income	19.3	17.7	-	-
Fees from management and licensing services	-	-	571.2	562.8
Other services	25.6	27.7	13.3	12.3
Sale of goods:				
Plantation produce	900.2	675.4	-	-
Development properties	87.1	78.9	-	-
Crude oil	114.0	143.4	-	-
Electricity	1,511.0	1,752.0	-	-
Coal	33.4	91.9	-	-
Others	31.8	27.1	-	-
Net gain on sale of investments	-	36.8	-	-
Investment income	44.9	25.8	257.5	244.1
	<b>15,194.7</b>	<b>8,893.6</b>	<b>842.0</b>	<b>819.2</b>

### 7. COST OF SALES

	Group		Company	
	2010	2009	2010	2009
Cost of inventories recognised as an expense	1,947.5	2,032.5	-	-
Cost of services and other operating costs	6,590.2	3,308.6	74.1	69.1
	<b>8,537.7</b>	<b>5,341.1</b>	<b>74.1</b>	<b>69.1</b>

Included in other operating costs are gaming related expenses amounting to RM2,199.0 million (2009: RM1,320.8 million) for the Group and Nil (2009: Nil) for the Company.

### 8. NET (IMPAIRMENT LOSS)/REVERSAL OF IMPAIRMENT LOSS

During the current financial year, the net impairment loss of the Group comprises RM1,149.3 million on GENS Group's intangible assets, RM222.8 million on the Group's power plant, RM108.0 million on Genting Malaysia Berhad ("GENM") Group's investment in available-for-sale financial assets, whereby GENM is 49.3% owned by the Company, RM33.1 million on the Group's exploration costs and RM41.2 million on other assets.

In the previous financial year ended 31 December 2009, the impairment losses of the Group comprise RM79.0 million on GENM Group's investment in available-for-sale financial asset and other long term investment, RM75.7 million on the Group's exploration costs and RM2.3 million on other assets.

During the current financial year, the net reversal of impairment loss of RM24.6 million from the Company was in relation to its investment in wholly owned subsidiaries (2009: impairment loss of RM10.8 million).

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 9. PROFIT BEFORE TAXATION

Profit before taxation has been determined after inclusion of the following charges and credits. The expenses by nature of the Group are also disclosed in the charges below:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Charges:</b>				
Depreciation of property, plant and equipment	1,150,244	691,212	1,313	1,156
Depreciation of investment properties	1,297	1,533	-	-
Amortisation of plantation development	7	7	-	-
Amortisation of leasehold land use rights	1,573	2,579	-	-
Amortisation of intangible assets	38,566	4,336	-	-
Directors' remuneration excluding estimated money value of benefits-in-kind (see Note 11)	108,763	91,440	47,457	43,258
Impairment of property, plant and equipment and leasehold land use rights included in:				
- Other expenses	278,594	2,310	-	-
Impairment of intangible assets included in:				
- Other expenses	1,157,038	-	-	-
Impairment of investments included in:				
- Other expenses	108,000	79,006	-	-
Net impairment of exploration costs included in:				
- Other expenses	10,788	75,660	-	-
Impairment of investment in subsidiaries included in:				
- Other expenses	-	-	-	10,758
Net loss on disposal of property, plant and equipment	180	294	-	-
Property, plant and equipment written off	59,614	2,254	3	2
Net fair value loss on financial asset at fair value through profit or loss	3,467	-	-	-
Impairment loss on receivables	242,162	10,603	-	-
Net bad debts written off	62,337	-	-	-
Replanting expenditure	8,200	7,246	-	-
Hire of equipment	27,536	19,231	-	-
Rental of land and buildings	83,370	68,197	-	-
Finance cost	723,899	261,410	-	-
Net exchange losses - realised	7,804	-	1	-
Net exchange losses - unrealised	-	-	-	895
Auditors' remuneration				
- Payable to auditors	1,648	2,007	80	45
- Payable to member firms of an organisation which are separate and independent legal entities from the auditors	5,330	3,002	-	-
Expenditure paid to subsidiaries:				
- Finance cost	-	-	134,550	73,671
- Rental of land and buildings	-	-	2,195	2,196
- Rental of equipment	-	-	2,192	2,424
- Service fees	-	-	1,435	1,050
Employee benefits expense (see Note 10)	2,547,508	1,500,519	74,145	69,185
Waiver of net amount due from wholly owned subsidiaries	-	-	-	1,048
Repair and maintenance	205,512	149,157	628	576
Utilities	74,447	80,325	208	208
Legal and professional fees	48,505	61,151	5,397	10,507
Transportation costs	69,285	59,183	-	-

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

### 9. PROFIT BEFORE TAXATION (cont'd)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Credits:</b>				
Interest income	158,483	124,919	13,128	8,677
Net gain on disposal of property, plant and equipment and plantation development	-	246	4	3
Net gain on disposal of available-for-sale financial assets	19,491	-	-	-
Net gain on disposal of short term investments	-	37,341	-	-
Net write back of allowances for diminution in value of investments	-	22,696	-	-
Net bad debts recovered	-	7,617	-	-
Rental income from land and buildings	79,938	66,209	-	-
Net surplus arising from compensation in respect of land acquired by the Government	704	2,589	-	-
Net gain on disposal of land held for property development	-	2,919	-	-
Net exchange gains - realised	-	12,555	-	1
Net exchange gains - unrealised	79,334	11,822	1,697	-
Dividends (gross) from:				
- Quoted foreign corporations	5,230	459	-	-
Income from subsidiaries:				
- Gain on disposal of long term investment	-	-	-	213,341
- Management and licensing fees	-	-	571,039	562,682
- Reversal of impairment loss	-	-	24,617	-
- Gross dividends	-	-	257,531	244,057
- Interest income	-	-	42,260	46,220
- Shared services fees	-	-	13,282	12,322
- Royalty	-	-	177	171
Other information:				
Non statutory audit fees				
- payable to auditors	1,345	1,012	431	95
- payable to member firms of an organisation which are separate and independent legal entities from the auditors	3,921	3,921	128	336

### 10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Wages, salaries and bonuses	2,061,369	1,201,754	55,278	52,896
Defined contribution plan	168,554	89,216	7,152	6,915
Other short-term employee benefits	251,259	159,516	2,123	1,862
Share-based payments	33,494	23,263	-	-
Provision for retirement gratuities	32,832	26,770	9,592	7,512
	<b>2,547,508</b>	<b>1,500,519</b>	<b>74,145</b>	<b>69,185</b>

Employee benefits expense, as shown above, includes the remuneration of Executive Directors.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 11. DIRECTORS' REMUNERATION

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<u>Non-Executive Directors:</u>				
Fees	889	836	591	561
Ex-gratia	-	80	-	80
<u>Executive Directors:</u>				
Fees	793	759	342	316
Salaries & bonuses	81,205	68,467	33,880	32,038
Defined contribution plan	9,530	8,999	4,698	4,443
Other short-term employee benefits	489	556	35	61
Provision for retirement gratuities	15,857	11,743	7,911	5,759
	<b>107,874</b>	<b>90,524</b>	<b>46,866</b>	<b>42,617</b>
Directors' remuneration excluding estimated money value of benefits-in-kind (see Note 9)	<b>108,763</b>	91,440	<b>47,457</b>	43,258
Estimated money value of benefits-in-kind (not charged to the income statements) in respect of Executive Directors	<b>2,721</b>	670	<b>310</b>	47
	<b>111,484</b>	<b>92,110</b>	<b>47,767</b>	<b>43,305</b>

Remuneration of Directors of the Company, in respect of services rendered to the Company and its subsidiaries is in the following bands:

Amounts in RM'000	2010	2009
	Number	
<u>Non-Executive Directors:</u>		
50 - 100	1	1
100 - 150	2	2
200 - 250	1	1
250 - 300	-	1
300 - 350	1	-
<u>Executive Directors:</u>		
1,450 - 1,500	-	1
1,600 - 1,650	1	-
2,100 - 2,150	-	1
2,250 - 2,300	1	-
87,600 - 87,650	-	1
106,650 - 106,700	1	-

Executive directors of the Company have been granted options under the Employees Share Option Scheme ("Scheme") on the same terms and conditions as those offered to other employees. Details of the Scheme are set out in Note 33. The unissued shares under the Scheme in respect of Directors are as follows:

Grant Date	Subscription price per share RM	Number of shares				
		At 1 January '000	Offered and Accepted '000	Exercised '000	Lapsed '000	At 31 December '000
<b>Financial year ended 31.12.2010</b>						
2 September 2002	2.868	7,145	-	(3,140)	-	4,005
<b>Financial year ended 31.12.2009</b>						
2 September 2002	2.868	7,145	-	-	-	7,145
						2010 '000
Number of share options vested at reporting date						<b>2,365</b>
						2009 '000
						<b>3,775</b>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 12. TAXATION

	Group		Company	
	2010	2009	2010	2009
Current taxation charge:				
Malaysian taxation	<b>799.4</b>	757.5	<b>195.0</b>	186.1
Foreign taxation	<b>37.4</b>	38.3	-	-
	<b>836.8</b>	795.8	<b>195.0</b>	186.1
Deferred tax charge/(credit)	<b>159.7</b>	(8.1)	<b>(1.9)</b>	(1.8)
	<b>996.5</b>	787.7	<b>193.1</b>	184.3
Prior years' taxation:				
Income tax (over)/under provided	<b>(25.7)</b>	(15.1)	<b>(0.1)</b>	0.1
Deferred tax under/(over) provided	<b>12.8</b>	(27.0)	-	-
	<b>983.6</b>	745.6	<b>193.0</b>	184.4

The reconciliation between the average effective tax rate and the Malaysian tax rate is as follows:

	Group		Company	
	2010	2009	2010	2009
	%	%	%	%
Malaysian tax rate	<b>25.0</b>	25.0	<b>25.0</b>	25.0
Tax effects of:				
- expenses not deductible for tax purposes	<b>8.5</b>	6.0	<b>9.1</b>	2.8
- over provision in prior years	<b>(0.3)</b>	(1.7)	-	-
- different tax regime	<b>(7.5)</b>	0.9	-	-
- tax incentive	<b>(0.6)</b>	(0.6)	-	-
- income not subject to tax	<b>(2.1)</b>	-	<b>(6.0)</b>	(7.5)
- others	<b>(0.6)</b>	(0.1)	-	-
Average effective tax rate	<b>22.4</b>	29.5	<b>28.1</b>	20.3

Subject to the agreement by the Inland Revenue Board, the Group has investment tax allowance of approximately RM1,231.3 million (2009: RM1,304.4 million) which is available to offset against future taxable profits of the respective companies of the Group.

Taxation is calculated at the Malaysian statutory tax rate of 25% (2009: 25%) on the estimated chargeable profit for the year of assessment 2010.

The income tax effect of each of the other comprehensive income/(loss) items is RM0.2 million (2009: Nil) in the current financial year.

## 13. EARNINGS PER SHARE

The basic and diluted earnings per share of the Group are computed as follows:

### (a) Basic earnings per share:

Basic earnings per share of the Group are calculated by dividing the profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	2010	2009
Profit for the financial year attributable to equity holders of the Company (RM'million)	<b>2,203.0</b>	1,044.3
Weighted average number of ordinary shares in issue ('000)	<b>3,698,287</b>	3,695,444
Basic earnings per share (sen)	<b>59.57</b>	28.26

### (b) Diluted earnings per share:

For the diluted earnings per share calculation, the Group's profit for the financial year is reduced by the lower consolidated earnings from subsidiaries arising from the potential dilution of the Group's shareholdings in those subsidiaries that have issued potential ordinary shares that are dilutive. The weighted average number of ordinary shares in issue of the Company is also adjusted to assume conversion of all dilutive potential ordinary shares issued by the Company.

	2010	2009
Earnings adjusted as follows:		
Profit for the financial year attributable to equity holders of the Company (RM'million)	<b>2,203.0</b>	1,044.3
Net impact on earnings on potential exercise of Employees Share Options awarded to executives of the Company's subsidiaries (RM'million)	<b>(3.0)</b>	(3.0)
Adjusted earnings for the financial year (RM'million)	<b>2,200.0</b>	1,041.3
Weighted average number of ordinary shares adjusted as follows:		
Weighted average number of ordinary shares in issue ('000)	<b>3,698,287</b>	3,695,444
Adjustment for share options granted to executives of the Company ('000)	<b>1,975</b>	6,860
Adjusted weighted average number of ordinary shares in issue ('000)	<b>3,700,262</b>	3,702,304
Diluted earnings per share (sen)	<b>59.46</b>	28.13

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 14. DIVIDENDS

	2010		2009	
	Gross dividend per share Sen	Amount of dividend, net of tax RM million	Gross dividend per share Sen	Amount of dividend, net of tax RM million
Interim dividend paid	3.3	91.6	3.0	83.1
Proposed final dividend	4.5	125.0	4.2	116.4
	<b>7.8</b>	<b>216.6</b>	<b>7.2</b>	<b>199.5</b>

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2010 of 4.5 sen less 25% tax (2009: 4.2 sen less 25% tax) per ordinary share of 10 sen each amounting to RM125.0 million (2009: RM116.4 million) will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which will be accrued as a liability upon approval by shareholders.

## 15. PROPERTY, PLANT AND EQUIPMENT

2010 Group	Freehold land	Freehold buildings and improvements	Leasehold land	Leasehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
<b>Net book value:</b>							
At 1 January 2010							
- As previously reported	462.1	3,108.6	-	742.3	3,506.2	8,630.8	16,450.0
- Effects of adoption of							
- Amendment to FRS 117	-	-	1,787.4	-	-	-	1,787.4
- Amendment to FRS 140	-	-	(44.2)	-	-	(2.5)	(46.7)
As restated	462.1	3,108.6	1,743.2	742.3	3,506.2	8,628.3	18,190.7
Additions	41.6	14.2	0.1	2.5	311.1	3,597.6	3,967.1
Disposals	-	-	-	-	(1.6)	-	(1.6)
Written off	-	(0.6)	-	(3.3)	(3.0)	(52.7)	(59.6)
Depreciation charged for the year	(4.7)	(81.4)	(21.4)	(150.4)	(892.3)	-	(1,150.2)
Assets of companies disposed	-	-	-	-	(162.0)	-	(162.0)
Reclassification/transfers	(0.8)	24.4	(6.2)	4,460.3	4,863.0	(9,367.0)	(26.3)
Impairment losses	-	-	(0.7)	(2.2)	(275.7)	-	(278.6)
Currency fluctuations	(3.1)	(59.8)	(37.6)	(50.2)	(117.7)	(223.3)	(491.7)
Others	-	(4.1)	(0.3)	(16.6)	(18.0)	(16.3)	(55.3)
At 31 December 2010	495.1	3,001.3	1,677.1	4,982.4	7,210.0	2,566.6	19,932.5
<b>At 31 December 2010:</b>							
Cost or valuation	532.9	3,999.4	1,810.0	5,406.9	11,644.0	2,567.1	25,960.3
Accumulated depreciation	(37.8)	(996.5)	(129.9)	(408.5)	(4,114.6)	-	(5,687.3)
Accumulated impairment losses	-	(1.6)	(3.0)	(16.0)	(319.4)	(0.5)	(340.5)
Net book value	495.1	3,001.3	1,677.1	4,982.4	7,210.0	2,566.6	19,932.5
Comprising							
Cost	272.2	3,803.9	1,767.3	5,406.9	11,632.6	2,567.1	25,450.0
At valuation:							
- 1981	48.3	-	-	-	-	-	48.3
- 1982	8.8	76.7	-	-	2.9	-	88.4
- 1983	105.1	2.3	-	-	-	-	107.4
- 1986	-	-	-	-	8.5	-	8.5
- 1989	83.3	115.8	-	-	-	-	199.1
- 1991	-	0.7	34.0	-	-	-	34.7
- 1995	-	-	8.7	-	-	-	8.7
- 1996	15.2	-	-	-	-	-	15.2
	532.9	3,999.4	1,810.0	5,406.9	11,644.0	2,567.1	25,960.3

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2009

(Restated)

Group	Freehold land	Freehold buildings and improvements	Leasehold land	Leasehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
<b>Net book value:</b>							
At 1 January 2009							
- As previously reported	434.5	3,073.6	-	758.7	3,617.1	2,807.7	10,691.6
- Effects of adoption of							
- Amendment to FRS 117	-	-	1,782.8	-	-	-	1,782.8
- Amendment to FRS 140	-	-	(44.7)	-	-	(2.5)	(47.2)
As restated	434.5	3,073.6	1,738.1	758.7	3,617.1	2,805.2	12,427.2
Additions	16.9	8.3	0.2	27.3	323.1	5,926.9	6,302.7
Disposals	(0.2)	-	-	-	(3.6)	-	(3.8)
Written off	-	(0.2)	-	(0.2)	(1.9)	-	(2.3)
Depreciation charged for the year	(3.0)	(84.2)	(4.1)	(38.5)	(561.4)	-	(691.2)
Impairment loss	-	-	(2.3)	-	-	-	(2.3)
Assets of companies acquired	-	-	-	-	0.2	-	0.2
Reclassification/transfers	11.9	52.4	(18.9)	(16.5)	123.3	(160.7)	(8.5)
Currency fluctuations	2.0	56.0	30.2	15.0	14.6	56.9	174.7
Others	-	2.7	-	(3.5)	(5.2)	-	(6.0)
At 31 December 2009	462.1	3,108.6	1,743.2	742.3	3,506.2	8,628.3	18,190.7
<b>At 31 December 2009:</b>							
Cost or valuation	487.0	4,022.6	1,849.2	945.8	7,074.6	8,628.8	23,008.0
Accumulated depreciation	(24.9)	(912.4)	(103.7)	(189.8)	(3,453.1)	-	(4,683.9)
Accumulated impairment losses	-	(1.6)	(2.3)	(13.7)	(115.3)	(0.5)	(133.4)
Net book value	462.1	3,108.6	1,743.2	742.3	3,506.2	8,628.3	18,190.7
Comprising							
Cost	226.3	3,827.1	1,806.5	945.8	7,063.2	8,628.8	22,497.7
At valuation:							
- 1981	48.3	-	-	-	-	-	48.3
- 1982	8.8	76.7	-	-	2.9	-	88.4
- 1983	105.1	2.3	-	-	-	-	107.4
- 1986	-	-	-	-	8.5	-	8.5
- 1989	83.3	115.8	-	-	-	-	199.1
- 1991	-	0.7	34.0	-	-	-	34.7
- 1995	-	-	8.7	-	-	-	8.7
- 1996	15.2	-	-	-	-	-	15.2
	487.0	4,022.6	1,849.2	945.8	7,074.6	8,628.8	23,008.0

Fixed assets have been revalued by the Directors based upon valuations carried out by independent firms of professional valuers using the fair market value basis except for assets revalued in 1991, which were based on the values determined by a regulatory authority in connection with a restructuring exercise. The net book value of the revalued assets of the Group would have amounted to RM236.2 million (2009: RM237.9 million) had such assets been stated in the financial statements at cost.

On 22 December 2005, a legal charge was created on the freehold land and buildings of a subsidiary of GENM with a carrying value of approximately RM49.9 million (2009: RM30.8 million) for all monies due or that become due to a mortgagee. The facility for which the legal charge had been created was not utilised as at 31 December 2010.

Property, plant and equipment and leasehold land use rights that have been pledged as collateral as at 31 December 2010 amounted to RM1.5 billion (2009: RM1.7 billion) equivalent and RM4.5 million (2009: RM5.2 million) equivalent respectively, for certain borrowings in the Group's power plant business.

The impairment loss in respect of property, plant and equipment in Meizhou Wan Power Plant is set out in Note 20(b).

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2010 Company	Freehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
<b>Net book value:</b>				
At 1 January 2010	0.9	3.4	0.1	4.4
Additions	-	3.2	-	3.2
Disposals	-	(0.1)	-	(0.1)
Written off	-	-	-	-
Depreciation	(0.1)	(1.2)	-	(1.3)
Reclassifications / transfers	-	-	(0.1)	(0.1)
At 31 December 2010	<b>0.8</b>	<b>5.3</b>	-	<b>6.1</b>
<b>At 31 December 2010:</b>				
Cost	8.8	17.2	-	26.0
Accumulated depreciation	(8.0)	(11.9)	-	(19.9)
Net book value	<b>0.8</b>	<b>5.3</b>	-	<b>6.1</b>
<b>2009 Company</b>				
<b>Net Book Value:</b>				
At 1 January 2009	1.0	3.9	0.1	5.0
Additions	-	0.6	-	0.6
Depreciation	(0.1)	(1.1)	-	(1.2)
At 31 December 2009	<b>0.9</b>	<b>3.4</b>	<b>0.1</b>	<b>4.4</b>
<b>At 31 December 2009:</b>				
Cost	8.8	14.5	0.1	23.4
Accumulated depreciation	(7.9)	(11.1)	-	(19.0)
Net book value	<b>0.9</b>	<b>3.4</b>	<b>0.1</b>	<b>4.4</b>

## 16. PROPERTY DEVELOPMENT ACTIVITIES

	Group		
	2010		2009
(a) Land held for property development:			
Freehold land	364.9		368.3
Development cost	206.3		214.1
	<b>571.2</b>		<b>582.4</b>
At 1 January			
- freehold land	368.3	373.7	
- development costs	214.1	206.2	579.9
Costs incurred during the financial year			
- development costs	2.0		9.3
Costs transferred to property development costs (see Note 16(b))			
- freehold land	(2.9)	(0.8)	
- development costs	(9.8)	(1.4)	(2.2)
Transferred to land held for sale			
- freehold land	(0.5)		-
Disposal of freehold land	-		(4.6)
At 31 December	<b>571.2</b>		<b>582.4</b>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 16. PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

	Group			
	2010	2009	2010	2009
(b) Property development costs:				
Freehold land	3.1	2.3		
Development costs	20.0	101.3		
Accumulated costs charged to income statement	<u>(8.9)</u>	<u>(58.6)</u>		
	<b>14.2</b>	<b>45.0</b>		
At 1 January				
- freehold land	2.3	4.5		
- development costs	101.3	103.5		
- accumulated costs charged to income statement	<u>(58.6)</u>	<u>(54.0)</u>	45.0	54.0
Costs incurred during the financial year				
- transfer from land held for property development (see Note 16(a))	12.7	2.2		
- development costs	<u>26.4</u>	<u>60.8</u>	63.0	63.0
Costs charged to income statement	<b>(35.5)</b>	<b>(52.8)</b>		
Costs transferred to inventories				
- freehold land	(2.1)	(3.0)		
- development costs	(117.5)	(64.4)		
- accumulated costs charged to income statement	<u>85.2</u>	<u>48.2</u>	(19.2)	(19.2)
At 31 December	<b>14.2</b>	<b>45.0</b>		

## 17. INVESTMENT PROPERTIES

	Group	
	2010	2009 (Restated)
<b>Net Book Value:</b>		
At 1 January		
- As previously reported	25.1	26.0
- Effects of adoption of Amendments to FRS 116, FRS 117 and FRS 140	<u>46.7</u>	<u>47.2</u>
As restated	71.8	73.2
Disposals	(7.5)	-
Depreciation charged for the year	(1.3)	(1.5)
Reclassification to assets classified as held for sale	(19.7)	-
Reclassifications	-	0.1
At 31 December	<b>43.3</b>	<b>71.8</b>
<b>At 31 December:</b>		
Cost	61.4	92.6
Accumulated depreciation	<u>(18.1)</u>	<u>(20.8)</u>
Net book value	<b>43.3</b>	<b>71.8</b>
Fair value at end of the financial year	<b>75.7</b>	<b>118.4</b>

The aggregate rental income and direct operating expenses arising from investment properties that generated rental income which was recognised during the financial year amounted to RM4.7 million and RM1.3 million respectively (2009: RM4.7 million and RM1.3 million).

The fair value of the properties was estimated based on the last transacted price of other units in the same properties or sales of comparable properties in the vicinity.

## 18. PLANTATION DEVELOPMENT

	Group	
	2010	2009
<b>Net Book Value:</b>		
At 1 January		
- As previously reported	650.4	518.3
- Effects of adoption of FRS 139	<u>(0.8)</u>	<u>-</u>
As restated	649.6	518.3
Additions	190.5	120.9
Disposals	-	(0.1)
Assets of companies acquired	0.3	-
Reclassifications/transfers	14.8	(0.5)
Currency fluctuations	<u>(11.6)</u>	<u>11.8</u>
At 31 December	<b>843.6</b>	<b>650.4</b>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 19. LEASEHOLD LAND USE RIGHTS

	Group	
	2010	2009 (Restated)
<b>Net Book Value:</b>		
At 1 January		
- As previously reported	1,902.4	1,850.9
- Effects of adoption of Amendment of FRS 117	<u>(1,787.4)</u>	<u>(1,782.8)</u>
As restated	115.0	68.1
Additions	7.1	28.3
Assets of companies acquired	31.3	17.2
Amortisation	(1.6)	(2.6)
Reclassifications/transfers	(12.5)	0.5
Currency fluctuations	<u>(5.4)</u>	<u>3.5</u>
At 31 December	<u>133.9</u>	<u>115.0</u>
<b>At 31 December:</b>		
Cost	142.2	126.6
Accumulated amortisation	<u>(8.3)</u>	<u>(11.6)</u>
Net book value	<u>133.9</u>	<u>115.0</u>
<b>Analysed by:</b>		
- unexpired period more than 50 years	-	-
- unexpired period less than 50 years	<u>133.9</u>	<u>115.0</u>
	<u>133.9</u>	<u>115.0</u>

Leasehold land use rights with an aggregate carrying value of RM71.1 million (2009: RM24.9 million) are pledged as securities for borrowings.

## 20. INTANGIBLE ASSETS

Group	Goodwill	Casino licences	Licence	Rights	Trademark	Intellectual property rights and development costs	Other intangibles	Total
<b>Net Book Value:</b>								
At 1 January 2010	956.7	2,641.7	-	60.0	77.3	117.2	61.2	3,914.1
Exchange differences	(43.5)	(281.0)	19.6	(3.6)	(8.9)	-	(1.8)	(319.2)
Additions	58.5	-	1,178.6	-	-	51.7	0.7	1,289.5
Amortisation charge	-	(28.4)	-	(3.5)	-	(1.6)	(5.1)	(38.6)
Reclassification	(14.0)	90.6	-	-	-	-	13.8	90.4
Impairment charge	(390.4)	(758.9)	-	(7.7)	-	-	-	(1,157.0)
At 31 December 2010	<u>567.3</u>	<u>1,664.0</u>	<u>1,198.2</u>	<u>45.2</u>	<u>68.4</u>	<u>167.3</u>	<u>68.8</u>	<u>3,779.2</u>
<b>At 31 December 2010:</b>								
Cost	1,816.0	2,432.3	1,198.2	95.7	68.4	168.9	115.6	5,895.1
Accumulated amortisation	-	(28.6)	-	(39.7)	-	(1.6)	(13.4)	(83.3)
Accumulated impairment losses	(1,248.7)	(739.7)	-	(10.8)	-	-	(33.4)	(2,032.6)
Net book value	<u>567.3</u>	<u>1,664.0</u>	<u>1,198.2</u>	<u>45.2</u>	<u>68.4</u>	<u>167.3</u>	<u>68.8</u>	<u>3,779.2</u>
<b>Net Book Value:</b>								
At 1 January 2009	891.2	2,370.0	-	64.4	69.7	81.1	46.7	3,523.1
Exchange differences	50.5	271.2	-	(0.4)	7.6	-	1.0	329.9
Additions	15.0	0.5	-	-	-	36.1	15.2	66.8
Amortisation charge	-	-	-	(4.0)	-	-	(0.3)	(4.3)
Reclassification	-	-	-	-	-	-	(1.4)	(1.4)
At 31 December 2009	<u>956.7</u>	<u>2,641.7</u>	<u>-</u>	<u>60.0</u>	<u>77.3</u>	<u>117.2</u>	<u>61.2</u>	<u>3,914.1</u>
<b>At 31 December 2009:</b>								
Cost	1,896.3	2,641.7	-	106.0	77.3	117.2	106.3	4,944.8
Accumulated amortisation	-	-	-	(39.0)	-	-	(8.1)	(47.1)
Accumulated impairment losses	(939.6)	-	-	(7.0)	-	-	(37.0)	(983.6)
Net book value	<u>956.7</u>	<u>2,641.7</u>	<u>-</u>	<u>60.0</u>	<u>77.3</u>	<u>117.2</u>	<u>61.2</u>	<u>3,914.1</u>

The intellectual property development costs comprise expenditure incurred on intellectual property development relating to the use of genomics-based techniques and other methods or tools thereof to increase the yields and profit streams principally from oil palm and other crops where it can be reasonably anticipated that the costs will be recovered through commercialisation, sale and marketing of all the resulting products from the aforesaid development.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 20. INTANGIBLE ASSETS (cont'd)

As at 31 December 2010, the expenditure incurred on these intellectual property development represents mainly payments made in respect of the oil palm and jatropha genome sequencing data received by GENP Group to-date. The remaining amortisation period of the intellectual property development costs as at 31 December 2010 is 14.75 years. The intellectual property rights are related to GENP Group's acquisition of the remaining 50% equity interest in SAL pursuant to the ACGT Restructuring exercise as disclosed in Note (a) to the statements of cash flows.

The remaining amortisation periods for rights at reporting date range from 1 to 15 years (2009: 1 to 16 years).

- (a) Impairment tests for goodwill and other intangible assets with indefinite useful lives.

Goodwill and other intangible assets with indefinite useful lives are allocated to the Group's cash-generating units ("CGU") identified according to geographical area and business segments.

A segment-level summary of the Group's net book value of goodwill and other intangible assets with indefinite useful lives allocation is as follows:

Group	2010	2009
Goodwill:		
United Kingdom ("UK")		
- London	13.9	196.9
- Provincial	-	244.9
Singapore	197.9	203.1
Other intangible assets:		
UK		
- London	680.8	1,117.7
- Provincial	987.9	1,599.5
- Isle of Man	2.4	2.6

### Goodwill and other intangible assets with indefinite useful lives - UK

Goodwill and other intangible assets with indefinite useful lives that have been allocated to the UK Group were tested for impairment using the value-in-use method.

The recoverable amount of CGUs in UK was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the leisure and hospitality industry in which the CGUs operate.

Key assumptions used for value-in-use calculations include:

	Leisure and hospitality		Leisure and hospitality	
	London	Provincial	London	Provincial
Growth rate	0.00%	0.00%	3.00%	3.00%
Weighted average cost of capital ("WACC")	8.46%	9.70%	7.61%	7.27%
Cost of debt	2.20%	2.20%	2.20%	2.20%

The above assumptions were used in the review of both the London and Provincial CGUs within the leisure and hospitality business segment in the UK. The growth rates used were consistent with the forecasts included in industry reports. The WACC used is pre-tax and is assumed to reflect specific risks relating to the relevant segments.

The review indicated that the UK Group suffered an impairment loss of RM1,149.3 million (2009: Nil) on goodwill and licences arising on the acquisition of UK casino operations in 2006. The impairment charge was mainly due to the unfavourable economic climate in the UK which is expected to adversely impact the UK casino operations.

### Goodwill - Singapore

The goodwill attributed to the Singapore CGU mainly arises from the acquisition of 25% equity interest in Resorts World at Sentosa Pte Ltd ("RWSP") which has developed an integrated resort in Singapore. The impairment test for goodwill relating to the Singapore CGU was assessed using the value-in-use method. Cash flow projections used in this calculation were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the long-term average growth rate for the leisure & hospitality industry in which the CGU operates.

Key assumptions used in the value-in-use calculation for 2010 include a growth rate, WACC and cost of debt of 3.00%, 9.93% and 2.35% (2009: 3.00%, 7.72% and 2.34%) respectively.

Based on the impairment test, no impairment is required for goodwill attributed to the Singapore CGU.

There will be no impact to the Group results after tax if the cost of debt used to compute WACC is 1% higher or lower with all other variables including tax rate being held constant.

Other intangible assets also include a theme park licence.

- (b) Impairment loss – Meizhou Wan Power Plant

The Group performed an impairment assessment on the Group's power generation plant located in Meizhou Wan in the Fujian Province in China.

In the current financial year, an amount of RM222.8 million (2009: Nil) was recognised as impairment loss, mainly due to impairment charge of RM215.1 million in respect of property, plant and equipment and RM7.7 million in respect of intangible assets, arising from deterioration in cash flow projections caused primarily by escalating coal price and lower-than-expected generation hours. This impairment loss is included within "Other Expenses" in the consolidated income statement.

For the purpose of this impairment assessment, Fujian Pacific Electric Company Ltd ("FPEC"), the Group's power generation plant located in Meizhou Wan in the Fujian Province in China, has been identified as the cash-generating unit ("CGU"). The recoverable amount of the CGU is determined based on value-in-use, which is measured by reference to discounted future cash flows. These calculations use cash flow projections based on financial budget approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated with 0% growth rate till the expiry of the Power Purchase Agreement ("PPA") in June 2025. The discount rate used in the current year's estimate is 8.23% (2009: 8.56%).

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 20. INTANGIBLE ASSETS (cont'd)

### (b) Impairment loss – Meizhou Wan Power Plant (cont'd)

If the tariff rate used in the computation of value-in-use is 1% lower than management's estimate, with all other variables including tax rate being held constant, the result after tax for the Group will be lower by RM59.0 million as a result of higher impairment loss (2009: no impairment loss). However, if the tariff rate used is 1% higher, the results after tax for the Group will be higher by RM58.5 million as a result of lower impairment loss (2009: higher by RM97.0 million from reversal of impairment loss in prior years).

If the pre-tax discount rate applied to the discounted net cash flow is 1% higher than management's estimate, with all other variables including tax rate being held constant, the results after tax for the Group will be lower by RM78.0 million as a result of higher impairment loss (2009: no impairment loss). However, if the pre-tax discount rate is 1% lower, the results after tax for the Group will be higher by RM85.7 million as a result of lower impairment loss (2009: higher by RM97.0 million from reversal of impairment loss in prior years).

### (c) Amortisation charged out/capitalised are analysed as follows:

	Group	
	2010	2009
Charged to income statement (within cost of sales)	38.6	4.3
Capitalised in property, plant and equipment	0.3	1.4
	<b>38.9</b>	<b>5.7</b>

## 21. EXPLORATION COSTS

	Group	
	2010	2009
<b>Net Book Value:</b>		
At 1 January	420.6	420.0
Exchange differences	(40.2)	(3.5)
Additions	229.9	79.8
Impairment loss	(33.1)	(75.7)
At 31 December	<b>577.2</b>	<b>420.6</b>
<b>At 31 December:</b>		
Net book value	<b>577.2</b>	<b>420.6</b>

Exploration costs comprise drilling, seismic and technical study expenditure. These costs remain capitalised as the Group is committed to continue exploring and developing these interests.

Impairment losses recognised during the financial years ended 31 December 2010 and 31 December 2009 were in respect of two of the Group's oil and gas projects.

## 22. SUBSIDIARIES

	Group	
	2010	2009
Investment in subsidiaries:		
Quoted shares in Malaysia - at cost	802.3	740.1
Unquoted shares - at cost	7,704.1	7,538.2
	<b>8,506.4</b>	<b>8,278.3</b>
Market value of quoted shares	<b>13,173.7</b>	10,368.4
Amounts due from subsidiaries are unsecured and comprise:		
Current:		
Interest free	408.0	411.3
Non-current:		
Interest bearing	925.8	966.3
Interest free	0.9	0.9
	<b>926.7</b>	<b>967.2</b>
	<b>1,334.7</b>	<b>1,378.5</b>
Amounts due to subsidiaries are unsecured and comprise:		
Current:		
Interest free	21.5	16.3
Non-current:		
Interest bearing	2,389.7	2,438.3
	<b>2,411.2</b>	<b>2,454.6</b>

The subsidiaries are listed in Note 48.

The carrying amounts of the amounts due from/to subsidiaries approximate their fair values.

- (a) The interest free portion of the amount due from/to subsidiaries has no fixed repayment terms. There were no amounts due from the Company's wholly owned subsidiaries which needed to be waived during the financial year ended 31 December 2010 (2009: RM1.0 million was waived).

The interest bearing portion of the amounts due from subsidiaries bears interest at rates of 5.9% (2009: 5.9% to 6.8%) per annum.

Included in the interest bearing amount due to subsidiaries are loans obtained by the Company from the following subsidiaries:

- USD300.0 million (RM943.5 million) (2009: USD300.0 million (RM1,030.7 million)) loan from Prime Holdings (Labuan) Limited ("PHLL"), a wholly owned subsidiary of the Company. The loan bears an effective interest rate of 5.9% (2009: 5.9%) per annum. Repayment terms for this loan are similar to the terms on the fixed rate notes facility obtained by PHLL.
- RM1.45 billion loan from GB Services Berhad, a wholly owned subsidiary of the Company on 12 November 2009. The loan bears an effective interest rate of 5.3% per annum (see Note 36(g)). The entire principal amount of the loan shall be repaid by 8 November 2019 (the "Maturity Date") provided always that the entire principal amount or any portion thereof, and any accrued and unpaid interest thereon shall be immediately due and payable upon the earlier to occur of (i) the Maturity Date; or (ii) request(s) from GB Services Berhad for early prepayment of the loan or any portions thereof; or (iii) the acceleration of the loan.

The above loans have been used to finance the Group's investments overseas.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 22. SUBSIDIARIES (cont'd)

- (b) As at 31 December 2010, the Company's percentage shareholding in GENM has increased to 49.3% compared to 48.7% as at 31 December 2009 mainly due to the effects of GENM's purchase of its own shares and additional acquisition of shares by the Company during the current financial year.

GENM's financial results continue to be consolidated with those of the Company as its subsidiary notwithstanding the Company's shareholding of less than 50% in GENM as the Company has control over GENM by virtue of its ability to manage the financial and operating policies of GENM pursuant to a 30 year Resort Management Agreement ("RMA") entered into in 1989 between the Company's wholly owned subsidiary, Genting Hotel & Resorts Management Sdn Bhd ("GHRM") and GENM. The RMA which cannot be unilaterally terminated by either party, (except in limited circumstances, generally relating to default by a party continuing after a cure period or insolvency related events affecting a party) is renewable under the original terms and conditions at the end of the original term for 3 consecutive terms of 20 years each. Under the RMA, GHRM is appointed as the operator and manager of the gaming, hotel and resort-related operations of GENM and which includes the supply of senior management and other personnel deemed necessary or appropriate by GHRM for the operation of GENM. A fee based on the gross revenue and the net operating income before fixed charges and taxation of GENM is payable by GENM to GHRM for services under the RMA.

In addition, the Company is the single largest shareholder of GENM and GENM also continues to regard the Company as its holding company by virtue of the Company being able to manage the financial and operating policies of GENM.

- (c) During the current financial year, the Company subscribed to 37,352 convertible, Non-Cumulative Irredeemable Preference Shares of USD1 each issued by its wholly owned subsidiary, Genting Overseas Holdings Limited ("GOHL"), which amounted to RM123.4 million.
- (d) On 23 November 2010, Resorts World Inc Pte Ltd ("RWI") ceased to be a subsidiary of the Company and has been accounted for as an associated company of the Company (see Note 44(g)).

## 23. JOINTLY CONTROLLED ENTITIES

	Group	
	2010	2009
Unquoted - at cost:		
Shares in foreign corporations	102.5	85.1
Shares in a Malaysian company	1.0	1.0
Group's share of post acquisition reserves	(41.2)	(34.0)
	62.3	52.1
Amounts due from jointly controlled entities	74.2	88.8
Amount due to a jointly controlled entity	4.5	2.3
Less: Balance included in long term receivables (see Note 30)	(66.5)	(75.3)
Balance included in current assets	(7.7)	(13.5)
Balance included in current liabilities	(4.5)	(2.3)
	-	-
	62.3	52.1

The Group's aggregate share of the income, expenses, assets and liabilities of the jointly controlled entities are as follows:

	2010	2009
Income	81.3	20.9
Expenses	(90.1)	(43.0)
Net loss	(8.8)	(22.1)
Non-current assets	386.0	424.7
Current assets	65.9	42.2
Current liabilities	(313.2)	(97.8)
Non-current liabilities	(76.4)	(318.8)
Net assets	62.3	50.3

The jointly controlled entities are listed in Note 48.

There are no contingent liabilities relating to the Group's interest in jointly controlled entities at the financial year end (2009: Nil).

## 24. ASSOCIATES

	Group	
	2010	2009
Quoted - at cost:		
Shares in Malaysian company	299.7	299.7
Negative goodwill arising from acquisition	13.8	13.8
Group's share of post acquisition reserves	33.7	31.4
	347.2	344.9
Unquoted - at cost:		
Shares in foreign corporations	168.2	135.3
Shares in Malaysian companies	2.1	2.1
Group's share of post acquisition reserves	248.4	190.5
	418.7	327.9
	765.9	672.8
Market value of quoted shares	246.2	180.7

The Group's aggregate share of revenue, profit, assets and liabilities of associates are as follows:

	Group	
	2010	2009
Revenue	462.6	354.3
Net profit	66.5	42.5
Total assets	2,386.0	1,147.7
Total liabilities	(1,034.5)	(507.8)

The Group's shareholding in Union Bank of Colombo Limited, via a wholly owned subsidiary, is 19.4% as at 31 December 2010. The Group has recognised this investment as an associate and accounted for it by the equity method of accounting as the Group has significant influence over this investment.

The associates are listed in Note 48.

There are no contingent liabilities relating to the Group's interest in associates at the financial year end (2009: Nil).

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The carrying amounts of the financial assets at fair value through profit and loss are classified as follows:

	Group 2010
<b>Non-current</b>	
Designated at fair value on initial recognition	
- Equity investments (quoted foreign corporations)	2.0
<b>Current</b>	
Held for trading	
- Equity investments (quoted foreign corporations)	26.0
- Debt securities (unquoted foreign corporations)	68.8
	<u>94.8</u>
	<u>96.8</u>

The fair values of quoted equity investments are determined by reference to the bid prices on the relevant stock exchanges. The fair value of the unquoted debt securities are determined based on the price traded over the counter market.

## 26. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2010	2009	2010	2009
<b>Non-current</b>				
At 1 January				
- As previously reported	1,270.1	415.0	-	-
- Effects of adoption of FRS 139	715.8	-	-	-
As restated	1,985.9	415.0	-	-
Foreign exchange differences	(169.5)	(2.4)	-	-
Additions	138.0	-	-	-
Accretion of discounts	7.4	-	-	-
Fair value changes - recognised in other comprehensive income	928.4	887.9	-	-
Transferred to available-for-sale -current	(1.4)	-	-	-
Repayment of shareholder loan	(3.4)	-	-	-
Impairment loss – recognised in income statement	(108.0)	(30.4)	-	-
Disposals	(186.0)	-	-	-
At 31 December	<u>2,591.4</u>	1,270.1	<u>-</u>	<u>-</u>
<b>Current</b>				
At 1 January				
- As previously reported	-	-	-	-
- Effects of adoption of FRS 139	287.7	-	-	-
As restated	287.7	-	-	-
Foreign exchange differences	(36.1)	-	-	-
Additions	350.0	-	50.0	-
Transferred from available-for-sale - non-current	1.4	-	-	-
Fair value changes – recognised in other comprehensive income	239.0	-	-	-
As 31 December	<u>842.0</u>	-	<u>50.0</u>	<u>-</u>
	<u>3,433.4</u>	1,270.1	<u>50.0</u>	<u>-</u>

Available-for-sale financial assets include the following:

	Group		Company	
	2010	2009	2010	2009
Equity investments in foreign corporations				
- Quoted	2,541.1	1,270.1	-	-
- Unquoted	259.3	-	-	-
Equity investments in Malaysian corporations				
- Unquoted	1.7	-	-	-
Debt securities in foreign corporations				
- Unquoted	281.3	-	-	-
Income funds in Malaysian corporation				
- Unquoted	350.0	-	50.0	-
	<u>3,433.4</u>	1,270.1	<u>50.0</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 26. AVAILABLE-FOR-SALE FINANCIAL ASSETS (cont'd)

Available-for-sale financial assets are denominated in the following currencies:

	Group		Company	
	2010	2009	2010	2009
Denominated in:				
- HKD	630.9	258.5	-	-
- USD	2,155.7	1,011.6	-	-
- GBP	266.4	-	-	-
- RMB	1.4	-	-	-
- SGD	16.0	-	-	-
- RM	351.7	-	50.0	-
- Others	11.3	-	-	-
At 31 December	<b>3,433.4</b>	1,270.1	<b>50.0</b>	-

The fair values of the quoted equity investments are determined based on the quoted market bid prices available on the relevant stock exchanges. The fair values of the unquoted debt securities are determined based on the price traded over the counter. The income funds are redeemable at the holder's discretion and the fair values are based on the fair values of the underlying net assets.

The fair value of certain unquoted equity investment is determined based on valuation techniques supported by observable market data.

Other unquoted equity investments are measured at cost less impairment losses at each reporting date because the fair values cannot be obtained directly from quoted market price or indirectly using valuation techniques supported by observable market data.

Refer to Note 2(a)(iv) under judgements and estimations on impairment of available-for-sale financial asset.

The interest rates for unquoted debt securities range from 4.25% to 11.13% per annum.

## 27. OTHER LONG TERM INVESTMENTS

	Group 2009
Quoted shares in foreign corporations, at cost	16.7
Less: Amounts written down to-date	-
	16.7
Unquoted shares in Malaysian companies, at cost	4.2
Less: Amounts written down to-date	(1.0)
	3.2
Other unquoted investments outside Malaysia, at cost	318.5
Less: Amounts written down to-date	(50.3)
	268.2
Unquoted debt securities in foreign corporations, at cost	392.1
Add: Accretion of discount	0.8
	392.9
	<b>681.0</b>

With the adoption of FRS 139 effective from 1 January 2010, other long term investments of RM1.3 million, RM678.2 million and RM1.5 million have been reclassified as financial assets at fair value through profit or loss (see Note 25), available-for-sale financial assets (see Note 26) and other non-current assets respectively.

## 28. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2010	2009	2010	2009
Deferred tax assets				
- subject to income tax (see (i) below)	177.0	94.0	11.1	9.2
Deferred tax liabilities				
- subject to income tax (see (ii) below)	(1,482.0)	(1,307.9)	-	-
Net deferred tax (liability)/asset	<b>(1,305.0)</b>	(1,213.9)	<b>11.1</b>	9.2
At 1 January				
- As previously reported	(1,213.9)	(1,164.9)	9.2	7.4
- Effects of adoption of FRS 139	(3.2)	-	-	-
	<b>(1,217.1)</b>	(1,164.9)	<b>9.2</b>	7.4
(Charged)/credited to income statement (see Note 12)				
- property, plant and equipment	(411.7)	11.1	(0.5)	-
- provisions	11.7	(6.5)	2.4	1.8
- impairment loss on intangible asset	204.0	-	-	-
- others	23.5	30.5	-	-
	<b>(172.5)</b>	35.1	<b>1.9</b>	1.8
Disposal of subsidiary company	(6.0)	-	-	-
Exchange differences	91.4	(87.6)	-	-
Others	(0.8)	3.5	-	-
At 31 December	<b>(1,305.0)</b>	(1,213.9)	<b>11.1</b>	9.2

### Subject to income tax:

i) Deferred tax assets (before offsetting)				
- property, plant and equipment	145.8	94.6	-	-
- land held for property development	5.1	4.4	-	-
- provisions	56.8	43.9	12.0	9.5
- tax losses	52.4	35.8	-	-
- others	25.6	21.4	-	-
	<b>285.7</b>	200.1	<b>12.0</b>	9.5
- offsetting	(108.7)	(106.1)	(0.9)	(0.3)
Deferred tax assets (after offsetting)	<b>177.0</b>	94.0	<b>11.1</b>	9.2
ii) Deferred tax liabilities (before offsetting)				
- property, plant and equipment	(930.7)	(450.9)	(0.9)	(0.3)
- land held for property development	(40.1)	(40.1)	-	-
- intangible assets	(775.1)	(883.2)	-	-
- others	155.2	(39.8)	-	-
	<b>(1,590.7)</b>	(1,414.0)	<b>(0.9)</b>	(0.3)
- offsetting	108.7	106.1	0.9	0.3
Deferred tax liabilities (after offsetting)	<b>(1,482.0)</b>	(1,307.9)	-	-

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 28. DEFERRED TAXATION (cont'd)

The amount of unutilised tax losses and deductible temporary differences on property, plant and equipment (no expiry date) for which no deferred tax asset is recognised in the statement of financial position are as follows:

	Group		Company	
	2010	2009	2010	2009
Unutilised tax losses	<b>252.2</b>	68.6	-	-
Property, plant and equipment	<b>94.7</b>	85.6	-	-
Provision	<b>2.1</b>	5.1	-	-
	<b>349.0</b>	159.3	-	-

In respect of the Group's unutilised Investment Tax Allowance ("ITA") (see Note 12) with regards to FRS 112 "Income Taxes", the Group will continue to recognise in the Income Statement, the tax impact arising from the ITA as and when it is utilised.

## 29. INVENTORIES

	Group	
	2010	2009
Stores and spares	<b>313.1</b>	209.3
Completed properties	<b>149.3</b>	138.2
Food, beverages and other hotel supplies	<b>52.7</b>	31.0
Produce stocks and finished goods	<b>5.5</b>	8.6
	<b>520.6</b>	387.1

## 30. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2010	2009	2010	2009
<b>Current:</b>				
Trade receivables	<b>1,714.8</b>	451.2	-	-
Other receivables	<b>201.2</b>	223.7	<b>0.4</b>	0.3
Less: Impairment loss on receivables	<b>(214.3)</b>	(11.7)	<b>(0.2)</b>	(0.2)
	<b>1,701.7</b>	663.2	<b>0.2</b>	0.1
Accrued billings in respect of property development	<b>3.0</b>	15.2	-	-
Deposits	<b>235.1</b>	78.0	<b>0.6</b>	0.6
Prepayments	<b>244.9</b>	220.6	-	-
	<b>2,184.7</b>	977.0	<b>0.8</b>	0.7

### Non-current:

Trade receivables	<b>103.2</b>	109.6	-	-
Other receivables	<b>134.7</b>	54.6	-	-
Less: Impairment loss on receivables	<b>(38.9)</b>	-	-	-
	<b>199.0</b>	164.2	-	-
Amount due from jointly controlled entities (see Note 23)	<b>66.5</b>	75.3	-	-
Amount due from associated company	<b>1.6</b>	-	-	-
	<b>267.1</b>	239.5	-	-
	<b>2,451.8</b>	1,216.5	<b>0.8</b>	0.7

Credit terms offered by the Group in respect of trade receivables range from 1 day to 60 days (2009: 1 day to 60 days) from date of invoice.

The carrying amounts of the Group's and the Company's trade and other receivables approximate their fair value.

As of 31 December 2010, trade and other receivables of RM530.6 million were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	Group 2010	Company 2010
Receivables past due:		
Past due 0 to 3 months	<b>367.3</b>	-
Past due 3 to 6 months	<b>143.2</b>	-
Past due over 6 months	<b>20.1</b>	-
	<b>530.6</b>	-

No impairment has been made on these amounts as the Group is closely monitoring these receivables and is confident of their eventual recovery.

The currency profile of trade and other receivables (excluding prepayments) as at the financial year end is as follows:

	Group		Company	
	2010	2009	2010	2009
SGD	<b>1,360.8</b>	131.0	-	-
RM	<b>384.5</b>	408.9	<b>0.8</b>	0.7
USD	<b>167.4</b>	86.5	-	-
GBP	<b>107.6</b>	105.3	-	-
RMB	<b>128.7</b>	223.0	-	-
HKD	<b>13.2</b>	0.3	-	-
Other foreign currencies	<b>44.7</b>	40.9	-	-
	<b>2,206.9</b>	995.9	<b>0.8</b>	0.7

The Group's trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. The amount of the provision was RM253.2 million as of 31 December 2010. These receivables are not secured by any collateral.

Movements on the provision for impairment loss on receivables are as follows:

	Group 2010	Company 2010
At 1 January	<b>11.7</b>	<b>0.2</b>
Charge for the year	<b>242.2</b>	-
Reversal of impairment loss	<b>(1.9)</b>	-
Exchange differences	<b>1.2</b>	-
At 31 December	<b>253.2</b>	<b>0.2</b>

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

### 31. SHORT TERM INVESTMENTS

	<b>Group</b>
	2009
Quoted - at cost:	
Shares in foreign corporations	355.8
Less: Allowance for diminution in value of investments	(41.7)
	<u>314.1</u>
Market value of quoted shares:	
- Foreign corporations	<u>316.2</u>

With the adoption of FRS 139 effective from 1 January 2010, short term investments of RM26.4 million and RM287.7 million have been reclassified as financial assets at fair value through profit or loss (see Note 25) and available-for-sale financial assets respectively (see Note 26).

### 32. CASH AND CASH EQUIVALENTS

	<b>Group</b>		<b>Company</b>	
	2010	2009	2010	2009
Deposits with licensed banks	<b>10,514.9</b>	9,349.9	<b>290.3</b>	126.2
Cash and bank balances	<b>3,139.3</b>	2,423.2	<b>0.6</b>	0.6
	<u><b>13,654.2</b></u>	11,773.1	<u><b>290.9</b></u>	126.8
Less: Restricted cash	<b>(881.5)</b>	(297.5)	-	-
Bank balances and deposits	<u><b>12,772.7</b></u>	11,475.6	<u><b>290.9</b></u>	126.8
Add: Money market instruments	<b>1,775.8</b>	2,917.0	<b>339.7</b>	448.1
Cash and cash equivalents	<u><b>14,548.5</b></u>	14,392.6	<u><b>630.6</b></u>	574.9

The currency profile and weighted average interest rates of the bank balances, deposits and money market instruments as at the financial year end are as follows:

	<b>Group</b>				<b>Company</b>			
	<b>Currency Profile</b>		<b>Interest rates</b>		<b>Currency Profile</b>		<b>Interest rates</b>	
	2010	2009	2010	2009	2010	2009	2010	2009
			%	%			%	%
RM	<b>3,933.7</b>	5,724.4	<b>2.73</b>	1.99	<b>601.0</b>	542.6	<b>2.76</b>	1.99
USD	<b>1,652.4</b>	1,642.8	<b>0.14</b>	0.16	<b>29.6</b>	32.3	<b>0.20</b>	0.20
SGD	<b>8,531.7</b>	6,654.6	<b>0.22</b>	0.17	-	-	-	-
RMB	<b>220.6</b>	213.5	<b>2.50</b>	2.22	-	-	-	-
GBP	<b>140.7</b>	120.6	<b>0.33</b>	0.45	-	-	-	-
HKD	<b>35.0</b>	14.9	-	-	-	-	-	-
Other foreign currencies	<b>34.4</b>	21.8	-	-	-	-	-	-
	<u><b>14,548.5</b></u>	14,392.6			<u><b>630.6</b></u>	574.9		

The deposits of the Group and Company as at 31 December 2010 have maturity periods ranging from overnight to 183 days (2009: overnight to 92 days). Cash and bank balances of the Group and Company are held at call.

Investment in money market instruments comprises negotiable certificates of deposit and bankers' acceptances. The money market instruments of the Group and Company as at 31 December 2010, have maturity periods ranging between overnight and one month (2009: overnight and one month).

Included in deposits with licensed banks for the Group is an amount of RM17.8 million (2009: RM10.0 million) deposited by an indirect subsidiary involved in property development activities into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. This amount is available for use by the said subsidiary for the payment of property development expenditure.

Restricted cash relates to the deposits pledged with licensed banks to secure certain bank facilities, mainly denominated in RMB, USD and GBP. These deposits have weighted average interest rates ranging from 0.02% to 2.76% (2009: 0.1% to 2.45%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 33. SHARE CAPITAL

	2010	2009
Authorised:		
8,000.0 million ordinary shares of 10 sen each	<b>800.0</b>	800.0
Issued and fully paid:		
Ordinary shares of 10 sen each		
At beginning of the financial year		
- 3,704.8 million (2009: 3,703.8 million)	<b>370.5</b>	370.4
Issue of shares:		
- pursuant to the Scheme: 8.8 million (2009: 1.0 million)	<b>0.9</b>	0.1
At end of the financial year		
- 3,713.6 million (2009: 3,704.8 million)	<b>371.4</b>	370.5

### Executive Share Option Scheme

During the financial year, 8,709,000 new ordinary shares of 10 sen each fully paid at the subscription price of RM2.868 per share and 5,000 new ordinary shares of 10 sen each fully paid at the subscription price of RM2.616 per share were issued by virtue of the exercise of options to take up unissued ordinary shares of the Company by executive employees pursuant to The Executive Share Option Scheme for Eligible Executives of Genting Berhad and its subsidiaries ("Scheme").

The Scheme had become effective on 12 August 2002 for a duration of 10 years terminating on 11 August 2012. These ordinary shares rank pari passu with the then existing ordinary shares of the Company.

At an Extraordinary General Meeting ("EGM") of the Company held on 21 February 2002, the shareholders of the Company had approved the Scheme.

At another EGM held on 25 June 2002, the Bye-Laws of the Scheme was further amended such that the total number of new shares to be offered under the Scheme shall not exceed 2.5% of the issued and paid-up share capital of the Company at any time of the offer but the shareholders of the Company may at any time during the tenure of the Scheme, by ordinary resolution increase the total number of new shares to those offered under the Scheme up to 5% of the issued and paid up share capital of the Company at the time of the offer.

The main features of the Scheme are as follows:

- (i) The Scheme shall be in force from the Date of Commencement and continue for a period of ten years from the Date of Commencement.
- (ii) Eligible Executives are employees of the Group (including Executive Directors) or persons under an employment contract of the Group for a period of at least twelve full months of continuous service before the Date of Offer. The eligibility for participation in the Scheme shall be at the discretion of the Remuneration, Compensation and Benefits ("RCB") Committee which was established by the Board of Directors. Following the dissolution of the RCB Committee with effect from 29 June 2009, the administration of the Scheme has been delegated by the Board of Directors to the Remuneration Committee ("RC") of the Company.
- (iii) In the event of cessation of employment of a Grantee with the Group prior to the full exercise of the options, such options shall cease without any claim against the Company provided always that subject to the written approval of the RC in its discretion where the Grantee ceases his employment with the Group by reason of:
  - his retirement at or after attaining retirement age;
  - ill-health or accident, injury or disability;
  - redundancy; and/or
  - other reasons or circumstances which are acceptable to the RC.

The Grantee may exercise his unexercised options within the Option Period subject to such conditions that may be imposed by the RC.

- (iv) The total number of new shares to be offered under the Scheme shall not exceed 2.5% of the issued and paid-up share capital of the Company at any time of the offer but the shareholders of the Company may at any time during the tenure of the Scheme, by ordinary resolution increase the total number of new shares to be offered under the Scheme up to 5% of the issued and paid-up share capital of the Company at the time of the offer.
- (v) Not more than 50% of the shares available under the Scheme would be allocated, in aggregate, to the Executive Directors and Senior Management. In addition, not more than 10% of the shares available under the Scheme would be allocated to any individual Eligible Executive who, either singly or collectively through persons connected, holds 20% or more in the issued and paid-up share capital of the Company.
- (vi) The price at which the Grantee is entitled to subscribe upon exercise of his rights under the options shall be based on the weighted average market price of the shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the five (5) Market Days immediately preceding the Date of Offer. Notwithstanding this, the Option Price per share shall in no event be less than the nominal value of the shares.
- (vii) No options shall be granted for less than 1,000 shares and not more than 7,500,000 shares to any Eligible Executive.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 33. SHARE CAPITAL (cont'd)

### Executive Share Option Scheme (cont'd)

(viii) The options granted can only be exercised by the Grantee in the third year from the Date of Offer and the number of new shares comprised in the option which a Grantee can subscribe for from the third year onwards shall at all times be subject to the following maximum percentage of new shares comprised in the options:

Year 1	Year 2	Year 3	Year 4	Year 5
-	-	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares
Year 6	Year 7	Year 8	Year 9	Year 10
12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% or balance of all options allotted

(ix) All new ordinary shares issued upon exercise of the options granted under the Scheme will rank pari passu in all respects with the existing ordinary shares of the Company other than their entitlements to dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares and will be subject to all provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.

(x) The options shall not have any right to vote at general meeting of the Company and the Grantees shall not be entitled to any dividends, right or other entitlements in respect of their unexercised options.

Set out below are details of options over the ordinary shares of the Company granted under the Scheme:

Date granted	Exercisable period	Subscription price RM	At start of financial year '000	Offered and Accepted '000	Exercised '000	Lapsed '000	At end of financial year '000
<b>Financial year ended 31.12.2010:</b>							
Scheme							
2.9.2002	2.9.2004 to 11.8.2012	2.868	14,592	-	(8,709)	(5)	5,878
29.11.2002	29.11.2004 to 11.8.2012	2.616	50	-	(5)	-	45
			<b>14,642</b>	<b>-</b>	<b>(8,714)</b>	<b>(5)</b>	<b>5,923</b>
Financial year ended 31.12.2009:							
Scheme							
2.9.2002	2.9.2004 to 11.8.2012	2.868	15,619	-	(1,027)	-	14,592
29.11.2002	29.11.2004 to 11.8.2012	2.616	50	-	-	-	50
			<b>15,669</b>	<b>-</b>	<b>(1,027)</b>	<b>-</b>	<b>14,642</b>
						<b>2010</b>	<b>2009</b>
						<b>'000</b>	<b>'000</b>
Number of share options vested at reporting date						<b>3,673</b>	<b>7,757</b>

Details relating to options exercised during the current financial year are as follows:

Exercise date	Fair value of shares at share issue date (RM/share)	Subscription price (RM/share)	Number of shares issued	
			2010	2009
January - March	6.26 – 7.65 / 3.17 – 3.92	2.868	424,000	5,000
April - June	6.40 – 7.47 / 3.76 – 6.00	2.868	181,000	214,000
July - September	7.14 – 10.51 / 5.49 – 7.31	2.868	3,134,000	452,000
July - September	7.14 – 10.51 / 5.49 – 7.31	2.616	5,000	-
October - December	9.95 – 11.15 / 6.93 – 7.78	2.868	4,970,000	356,000
			<b>8,714,000</b>	<b>1,027,000</b>
			<b>2010</b>	<b>2009</b>
			<b>RM'000</b>	<b>RM'000</b>
Ordinary share capital - at par			871.4	102.7
Share premium			24,119.1	2,842.7
Proceeds received on exercise of share options			<b>24,990.5</b>	<b>2,945.4</b>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 34. TREASURY SHARES

At the Annual General Meeting of the Company held on 10 June 2010, the shareholders of the Company approved the renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company.

During the current financial year, the Company had repurchased a total of 20,000 (2009: 160,000) ordinary shares of RM0.10 each of its issued share capital from the open market at an average price of RM7.91 (2009: RM4.62). The total consideration paid for the repurchase, including transaction costs, was RM0.15 million (2009: RM0.74 million) and was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965. There is no cancellation, resale or reissuance of treasury shares during the financial year. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As at 31 December 2010, of the total 3,713,561,770 (2009: 3,704,847,770) issued and fully paid ordinary shares, 8,772,900 (2009: 8,752,900) are held as treasury shares by the Company. As at 31 December 2010, the number of outstanding ordinary shares in issue after the offset is therefore 3,704,788,870 (2009: 3,696,094,870) ordinary shares of RM0.10 each.

Details relating to the repurchase during the current financial year are as follows:

	Total shares repurchased in units '000	Total consideration paid RM'million	Highest price RM	Lowest price RM	Average price* RM
At 1 January 2010	8,752.9	43.04	7.20	3.40	4.92
Shares repurchased during the financial year					
- March	10.0	0.06	6.29	6.29	6.34
- September	10.0	0.09	9.42	9.42	9.49
At 31 December 2010	<b>8,772.9</b>	<b>43.19</b>			<b>4.92</b>

\* Average price includes stamp duty, brokerage and clearing fees.

The directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan is being applied in the best interests of the Company and its shareholders.

## 35. RESERVES

	Group		Company	
	2010	2009	2010	2009
Share premium	1,179.1	1,155.0	1,179.1	1,155.0
Revaluation reserves	315.1	302.7	-	-
Fair value reserve	1,079.9	432.0	-	-
Cash flow hedge reserve	(16.3)	-	-	-
Exchange differences	(1,187.6)	(223.1)	-	-
Retained earnings	13,799.1	11,893.0	6,510.0	6,224.4
	<b>15,169.3</b>	<b>13,559.6</b>	<b>7,689.1</b>	<b>7,379.4</b>

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. The single tier dividend is not taxable in the hands of shareholders.

Companies with Section 108 credits as at 31 December 2008 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2007. As at 31 December 2010, subject to agreement with the tax authorities, the Company has sufficient Section 108 tax credits to pay RM3,576.9 million (2009: RM3,784.9 million) of the retained earnings of the Company as franked dividends.

In addition, the Company has tax exempt income as at 31 December 2010, available to frank as tax exempt dividends arising from the Promotions of Investment Act, 1986 and the Income Tax (Amendment) Act 1999, relating to tax on income earned in 1999 being waived, amounting to approximately RM525.7 million (2009: RM525.2 million). The estimated tax credit and tax exempt income are subject to agreement by the Inland Revenue Board.

## 36. BORROWINGS

	Group	
	2010	2009
<b>Current</b>		
<b>Secured:</b>		
Term loans	1,375.3	100.1
Loan notes	8.4	-
Bankers acceptances	127.6	152.8
Finance lease liabilities	6.0	2.2
Working capital loans	-	66.9
<b>Unsecured:</b>		
Term loans	64.4	530.5
	<b>1,581.7</b>	<b>852.5</b>
<b>Non-current</b>		
<b>Secured:</b>		
Term loans	8,745.6	8,446.3
Loan notes	-	16.7
Finance lease liabilities	27.5	1.3
Working capital loans	204.0	-
<b>Unsecured:</b>		
Medium term notes	1,599.5	1,450.0
Convertible bonds (see Note 37)	-	1,137.6
Fixed rate notes	926.5	1,007.8
Term loans	346.3	448.9
Working capital loans	-	150.9
	<b>11,849.4</b>	<b>12,659.5</b>
	<b>13,431.1</b>	<b>13,512.0</b>

The borrowings bear an effective annual interest rate of 0.4% to 5.9% (2009: 1.6% to 14.3%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 36. BORROWINGS (cont'd)

The carrying amounts of the borrowings are denominated in the following currencies:

	Group	
	2010	2009
SGD	8,491.0	8,858.2
USD	1,965.8	1,387.5
RM	1,599.5	1,450.0
RMB	1,107.2	1,293.9
GBP	267.6	522.2
Other foreign currencies	-	0.2
	<b>13,431.1</b>	<b>13,512.0</b>

(a) The maturity profile and exposure of borrowings of the Group is as follows:

	Floating interest rate	Fixed interest rate	Total
<b>As at 31 December 2010:</b>			
Less than one year	1,448.5	133.2	1,581.7
More than one year and less than two years	1,091.0	7.0	1,098.0
More than two years and less than five years	7,603.3	947.1	8,550.4
More than five years	601.5	1,599.5	2,201.0
	<b>10,744.3</b>	<b>2,686.8</b>	<b>13,431.1</b>
<b>As at 31 December 2009:</b>			
Less than one year	698.0	154.5	852.5
More than one year and less than two years	731.8	0.4	732.2
More than two years and less than five years	3,079.3	2,145.8	5,225.1
More than five years	5,252.2	1,450.0	6,702.2
	<b>9,761.3</b>	<b>3,750.7</b>	<b>13,512.0</b>

(b) The exposure of the borrowings of the Group to interest rate changes and the periods in which the borrowings reprice are as follows:

	Repricing periods					
	Total	1 to 3 months	More than 3 months & less than 1 year	More than 1 year & less than 2 years	More than 2 years & less than 5 years	More than 5 years
<b>As at 31 December 2010:</b>						
Total borrowings	13,431.1	9,008.3	1,863.8	0.3	926.8	1,631.9
Movements in repricing periods due to interest rate swaps	0.4	0.4	-	-	-	-
	<b>13,431.5</b>	<b>9,008.7</b>	<b>1,863.8</b>	<b>0.3</b>	<b>926.8</b>	<b>1,631.9</b>
<b>As at 31 December 2009:</b>						
Total borrowings	13,512.0	8,464.2	1,451.6	0.4	2,145.8	1,450.0
Movements in repricing periods due to interest rate swaps	-	(5,524.5)	-	733.1	1,642.2	3,149.2
	<b>13,512.0</b>	<b>2,939.7</b>	<b>1,451.6</b>	<b>733.5</b>	<b>3,788.0</b>	<b>4,599.2</b>

(c) Finance lease liabilities

The minimum lease payments of the finance lease liabilities at the reporting date are as follows:

	Group	
	2010	2009
Not more than one year	14.9	2.4
More than one year and not more than five years	37.0	1.4
More than five years	-	-
	<b>51.9</b>	<b>3.8</b>
Future finance charges	(18.4)	(0.3)
Present value	<b>33.5</b>	<b>3.5</b>

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 36. BORROWINGS (cont'd)

### (c) Finance lease liabilities (cont'd)

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. The finance lease liabilities have an effective interest rate of 1.9% to 16.5% (2009: 5.1% to 14.6%) per annum.

### (d) Fair values of the borrowings as at the financial year ended 31 December 2010 are as follows:

	Group	
	2010	2009
Current	1,581.7	852.5
Non-current	<u>11,993.8</u>	<u>13,069.6</u>

### (e) Fixed Rate Notes

On 22 September 2004 ("Issue Date"), the Company through its wholly owned subsidiary, Prime Holdings (Labuan) Limited, issued USD300.0 million Guaranteed Notes ("Notes") of up to 10 years. The Notes which are guaranteed by the Company, were offered outside the United States in accordance with Regulation S. The Notes were only offered for subscription or sale outside Malaysia (except the Federal Territory of Labuan) to non-residents of Malaysia. The purpose of the issue is to fund the Group's future overseas investments.

The main features of the Notes are as follows:

- (i) the Notes bear coupon interest from Issue Date at 5.375% per annum payable in arrears on 22 March and 22 September each year commencing on 22 March 2005; and
- (ii) unless previously purchased and cancelled, the Notes will be redeemed on 22 September 2014 at their principal amount.

The Fixed Rate Notes are recognised in the statement of financial position as follows:

	2010		2009	
	USD Equivalent (Mil)	RM (Mil)	USD Equivalent (Mil)	RM (Mil)
Face value including hedge loss	289.6	910.8	289.6	995.1
Discount	(1.8)	(5.7)	(1.8)	(6.3)
Amortisation of hedge loss and discount	6.8	21.4	5.5	19.0
	<u>294.6</u>	<u>926.5</u>	<u>293.3</u>	<u>1,007.8</u>

### (f) SGD625.0 million Bridging Loan Facility

On 9 September 2009, Genting Capital Limited ("GCL"), a wholly owned subsidiary of the Company, entered into a Bridging Loan Facility agreement with a syndicate of banks to provide a bridging loan facility of up to SGD625.0 million ("Bridging Loan Facility"). The purpose of this Bridging Loan Facility is to on-lend to GOHL to part finance GOHL's subscription in GENS's 2009 Rights Issue. This Bridging Loan Facility is guaranteed by the Company and was fully drawdown in October 2009.

The Bridging Loan Facility bears interest rates which vary according to Swap Offer Rate.

During the current financial year, GCL fully repaid the entire Bridging Loan Facility.

- (g) On 9 November 2009, the Company through its wholly owned subsidiary, GB Services Berhad ("GBS"), had successfully issued RM1.45 billion nominal amount of the 10-year Medium Term Notes ("MTNs") pursuant to establishing a RM1.6 billion nominal value MTNs programme. The issue was priced at 5.30% per annum, payable semi-annually and guaranteed by the Company. On 10 May 2010, GBS subsequently issued the remaining RM0.15 billion nominal amount of the MTNs. The purpose of the issuance of MTNs is to on-lend to the Company and/or its subsidiaries for capital expenditure, investment, refinancing, working capital requirements and/or other general corporate purposes of the Group. The entire nominal amount of the MTNs shall be repaid by 8 November 2019 (the "Maturity Date") provided that the entire principal amount or any portion thereof, and accrued and unpaid interest thereon shall be immediately due and payable upon earlier to occur of (i) the Maturity Date; (ii) request(s) from GBS for early repayment; or (iii) acceleration of the loan. In the event of default, the Trustee of the MTNs may at its sole discretion, and shall if so directed by the MTNs holders by the Extraordinary Resolution declare by notice in writing to GBS that an event of default has occurred and notwithstanding the Maturity Date, the nominal value of all outstanding MTNs and unpaid interest thereon shall be become immediately due and payable.

## 37. CONVERTIBLE BONDS

The convertible bonds recognised in the statements of financial position are analysed as follows:

	Group 2010
Face value of convertible bonds issued, net of transaction costs	2,049.6
Derivative financial instruments	(861.0)
Liability component as at initial recognition	1,188.6
Cumulative interest expense	206.6
Bonds converted	<u>(1,395.2)</u>
Liabilities component of convertible bonds at 31 December	<u>-</u>

- (a) GENS had on 12 January 2007 issued SGD425.0 million convertible bonds due 2012 ("First Convertible Bonds") which were initially convertible into approximately 673.7 million fully paid-up new ordinary shares of USD0.10 each of GENS at a conversion price of SGD0.6308 per share, and are convertible from 7 February 2007 to 31 December 2011. The new ordinary shares, upon issue, shall rank pari passu with the existing ordinary shares of GENS. The First Convertible Bonds were listed and quoted on the Singapore Exchange Securities Trading Limited ("SGX-ST") with effect from 15 January 2007.

As a result of GENS's rights issue on the basis of 3 rights shares for every 5 existing ordinary shares held by the GENS shareholders as at 17 August 2007 ("2007 Rights Issue"), adjustments have been made to the conversion price, from SGD0.6308 per share to SGD0.55 per share with effect from 17 September 2007.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 37. CONVERTIBLE BONDS (cont'd)

With effect from 20 October 2009 the conversion price of the First Convertible Bonds was further adjusted to SGD0.53 pursuant to GENS's rights issue on the basis of one right share for every 5 existing ordinary shares ("2009 Rights Issue") held by the GENS shareholders as at 23 September 2009.

During the previous financial year ended 31 December 2009, a total of SGD57.6 million of the First Convertible Bonds were converted into 108.1 million new GENS shares. The conversion gave rise to a net gain on dilution of RM28.0 million.

The First Convertible Bonds were fully converted into ordinary shares as at 31 December 2009.

- (b) GENS had on 26 April 2007 issued SGD450.0 million convertible bonds due 2012 ("Second Convertible Bonds") which were initially convertible into approximately 363.4 million fully paid-up new ordinary shares of USD0.10 each of GENS at a conversion price of SGD1.2383 per share, and are convertible from 22 May 2007 to 16 April 2012. The new ordinary shares, upon issue, shall rank pari passu with the existing ordinary shares of GENS. The Second Convertible Bonds were listed and quoted on the SGX-ST with effect from 27 April 2007.

As a result of GENS's 2007 Rights Issue as disclosed above, adjustments have been made to the conversion price, from SGD1.2383 per share to SGD1.08 per share with effect from 17 September 2007.

With effect from 26 April 2009, in accordance with the terms and conditions of the Second Convertible Bonds, the conversion price was again adjusted from SGD1.08 per share to SGD0.99 per share, as the arithmetic average of the closing price of the GENS shares for 20 consecutive trading days immediately prior to 45 days before 26 April 2009 was less than the existing conversion price.

As a result of GENS's 2009 Rights Issue, the conversion price of the Second Convertible Bonds was subsequently adjusted from SGD0.99 per share to SGD0.95 per share with effect from 20 October 2009.

During the current financial year, a total of SGD445.7 million (2009: SGD4.3 million) of the remaining outstanding Second Convertible Bonds were converted into 469.2 million (2009: 4.5 million) new GENS shares. The conversion gave rise to a net gain on dilution of RM436.3 million (2009: RM5.0 million).

## 38. PROVISIONS

	Group		Company	
	2010	2009	2010	2009
Provision for Retirement Gratuities (see (a) below)	155.7	126.2	47.8	38.2
Provision for Contingent Losses (see (b) below)	-	-	26.1	15.9
Other provision	64.3	4.0	-	-
	<b>220.0</b>	130.2	<b>73.9</b>	54.1
Less: Provision for retirement gratuities shown as current liabilities (see (a) below)	(8.2)	(6.6)	-	-
	<b>211.8</b>	123.6	<b>73.9</b>	54.1
<b>(a) Provision for Retirement Gratuities</b>				
Beginning of the financial year	126.2	107.2	38.2	30.8
Charge for the financial year	34.1	27.4	10.1	7.5
Write-back of provision	(1.0)	(0.6)	(0.5)	-
Disposal of subsidiaries	(0.1)	-	-	-
Payments during the financial year	(3.5)	(7.8)	-	(0.1)
End of the financial year	<b>155.7</b>	126.2	<b>47.8</b>	38.2
Analysed as follows:				
Current (see Note 40)	8.2	6.6	-	-
Non-current	147.5	119.6	47.8	38.2
	<b>155.7</b>	126.2	<b>47.8</b>	38.2

The fair value of provision for retirement gratuities closely approximate its book value.

## (b) Provision for Contingent Losses

	Company	
	2010	2009
Beginning of the financial year	15.9	18.2
Provision/(reversal) for the financial year	10.2	(2.3)
End of the financial year	<b>26.1</b>	15.9

As at the end of the current financial year, the Company has established a provision for contingent losses of RM26.1 million (2009: RM15.9 million). The contingent losses arise from guarantees issued to financial institutions on borrowings extended to a wholly owned subsidiary for the purpose of raising finance for the Group's investments.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 39. OTHER LIABILITIES

	Group	
	2010	2009
Deferred membership fees	29.1	32.0
Accruals and other payables	85.9	229.5
	<b>115.0</b>	<b>261.5</b>

The advance membership fees relate to fees received on sale of timeshare units by an indirect subsidiary offering a timeshare ownership scheme. These fees are recognised as income over the next twenty four years from commencement of membership.

## 40. TRADE AND OTHER PAYABLES

	Group		Company	
	2010	2009	2010	2009
Trade payables	470.5	347.4	-	-
Accruals	1,589.8	996.7	24.0	19.8
Retirement gratuities (see Note 38(a))	8.2	6.6	-	-
Interest payable	38.8	34.0	-	-
Deposits	39.3	24.9	-	-
Other payables	1,952.2	972.3	-	-
	<b>4,098.8</b>	<b>2,381.9</b>	<b>24.0</b>	<b>19.8</b>

The currency profile of trade and other payables as at the financial year end is as follows:

	Group		Company	
	2010	2009	2010	2009
RM	1,175.1	1,028.6	24.0	19.8
USD	133.7	226.9	-	-
GBP	165.9	173.7	-	-
SGD	2,453.5	805.7	-	-
RMB	115.9	100.9	-	-
HKD	18.8	0.4	-	-
Other foreign currencies	35.9	45.7	-	-
	<b>4,098.8</b>	<b>2,381.9</b>	<b>24.0</b>	<b>19.8</b>

Included in other payables and accruals of the Group are progress billings payable and accruals for capital expenditure relating to construction of a hotel and upgrading of resorts infrastructure amounting to RM1,197.7 million (2009: RM791.8 million).

Credit terms available to the Group range from 7 days to 90 days (2009: 7 days to 120 days) from date of invoice.

The carrying amounts of the Group's trade and other payables approximate their fair values.

## 41. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2010	Group	
	Assets	Liabilities
<b>Non-current:</b>		
Interest Rate Capped Libor-In-Arrears Swap – cash flow hedge	1.2	(1.6)
<b>Current:</b>		
Forward foreign currency exchange contracts – not designated as hedges	-	(4.2)
<b>Total derivative financial instruments</b>	<b>1.2</b>	<b>(5.8)</b>

The Group's derivative financial instruments relate to the following:

### (a) Interest rate Swaps ("IRS")

The Group has entered into IRS to hedge the Group's exposure to interest rate risk on its borrowings in Singapore. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

These IRS contracts are accounted using the hedge accounting method. The changes of fair value of these IRS are recognised in the hedging reserve in equity and will be continuously released to the income statement until the repayment of the bank borrowings or maturity of IRS whichever is earlier.

During the current financial year, all these IRS contracts have been fully settled. As a result, the Group recognised a loss on discontinuance of cash flow hedge accounting using interest rate swaps of RM145.4 million in the income statement.

### (b) Interest Rate Capped Libor-In-Arrears Swap ("IRCLIA")

The Group has entered into two IRCLIA contracts to limit its exposure to fluctuation in interest rate movements if the interest rate moved beyond the cap at USD London Inter-Bank Offer Rate ("LIBOR") 2.35% per annum. The notional principal amount for each interest period will be USD15 million over 4 years beginning April 2011 and USD25 million over 4 years beginning November 2011 respectively.

The total notional principal amount of the outstanding IRCLIA contracts at 31 December 2010 was approximately RM125.8 million. As at 31 December 2010, the estimated fair value of these IRCLIA contracts was approximately RM0.4 million, which was unfavourable to the Group.

These IRCLIA contracts are accounted using the hedge accounting method. The changes of fair value of these IRCLIA are included as hedging reserves in equity and are recognised in income statement as the underlying hedged items are recognised.

### (c) Forward Foreign Currency Exchange

The Group entered into forward foreign currency exchange contracts to manage the exposure to foreign exchange risk when subsidiaries enter into transactions that are denominated in their functional currencies.

The total notional principal amount of the outstanding forward foreign currency exchange contracts at 31 December 2010 was approximately RM130.8 million. As at 31 December 2010, the estimated fair value of these forward foreign currency exchange contracts was RM4.3 million, which was unfavourable to the Group.

These forward foreign currency exchange contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value exposure. Such derivatives do not qualify for hedge accounting. The changes in the fair value of those forward foreign currency exchange contracts are recognised as other income or other expense in the income statement.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 41. DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

The fair values of the above instruments have been estimated using the published market prices or quoted from reputable financial institutions. The Group had no significant concentrations of credit risk as at 31 December 2010.

### (d) Put and Call Option

GENM had on 26 November 2008 announced that Resorts World Limited ("RWL"), an indirect wholly owned subsidiary of GENM, had entered into, amongst others, a call option agreement ("Option Agreement") with KH Digital Limited ("KHD") where KHD had granted a call option for a cash consideration of USD1 ("KHD Call Option") for RWL to acquire, within a period of eighteen months from the date of the Option Agreement, the entire issued and paid-up share capital of Karridale Limited ("Karridale") at an exercise price of USD27.0 million. On 26 May 2010, GENM announced that the Call Option has lapsed and RWL did not exercise its option to acquire the entire issued and paid-up share capital of Karridale.

## 42. CONTINGENCIES

### On Going Litigation (unsecured) – GENP

GENP and Genting Tanjung Bahagia Sdn Bhd ("GTBSB"), a wholly owned subsidiary of GENP, had vide previous announcements informed GENP's shareholders on the status of the legal suit filed in the High Court of Sabah and Sarawak at Kota Kinabalu Suit No. K22-245 of 2002 wherein GENP and GTBSB were named as the Second and Third Defendants respectively ("the Suit"). The High Court had on 20 June 2008 upheld the Defendants' preliminary objection with costs awarded to the Defendants. The Suit was instituted by certain natives ("the Plaintiffs") claiming Native Customary Rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah which was acquired by GTBSB from Hap Seng Consolidated Berhad.

The Defendants had raised a preliminary objection that the High Court has no original jurisdiction to hear the Suit and that this Suit will lead to multiplicity of action as the Plaintiffs had already made application to the Assistant Collector of Land Revenue for similar claims.

The Plaintiffs have filed a Notice of Appeal to the Court of Appeal on 7 July 2008 against the decision of the High Court made on 20 June 2008 which was heard on 9 December 2010. However, the Court of Appeal has yet to fix a date to deliver the decision of the appeal.

GENP's solicitors maintained their opinion that the Plaintiffs' action is misconceived and unsustainable.

There have been no changes to the status of the aforesaid litigation as at the date of this report.

## 43. CAPITAL COMMITMENTS

	Group	
	2010	2009
Authorised capital expenditure not provided for in the financial statements:		
- contracted	1,952.9	2,770.9
- not contracted	4,324.5	4,687.3
	<b>6,277.4</b>	<b>7,458.2</b>

Group  
2010 2009

Analysed as follows:

(i) Group:		
- Development expenditure *	3,604.2	5,287.8
- Property, plant and equipment	2,011.3	953.1
- Plantation development	390.1	563.3
- Drilling and exploration costs	82.5	550.3
- Investments	78.3	59.8
- Leasehold land use rights	37.1	24.1
- Investment properties	6.0	-
- Intellectual property development	5.0	19.8
	<b>6,214.5</b>	<b>7,458.2</b>
(ii) Share of capital commitments in jointly controlled entities		
- Investment properties	62.7	-
- Property, plant and equipments	0.2	-
	<b>62.9</b>	<b>-</b>
	<b>6,277.4</b>	<b>7,458.2</b>

\* This relates mainly to the integrated resort project of GENS, Resorts World Sentosa, and the development and operation of a video lottery facility at the Aqueduct Racetrack in the City of New York, United States of America by GENM.

## 44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) 2010 was a major milestone year in the corporate history of the Group, beginning with Resorts World Sentosa ("RWS") meeting its aggressive timeline to open the integrated resort in the first quarter of 2010 and then with most of its operations commencing in the same quarter. RWS's phased opening began on 20 January 2010 with its four hotels - Festive Hotel, Hard Rock Hotel Singapore, Hotel Michael and Crockfords Tower. On 6 February 2010, RWS was issued a casino licence by the Casino Regulatory Authority of Singapore. The casino commenced business on 14 February 2010, the first day of Chinese New Year. This was followed a month later with the opening of Universal Studios Singapore on 18 March 2010.

(b) On 29 March 2010, GENP announced that Azzon Limited ("Azzon"), a wholly owned subsidiary of GENP and Chelsea Malaysia, LLC ("Chelsea"), a division of Simon Property Group, Inc had on the same day, entered into a First Amendment to the Joint Venture Agreement dated 29 September 2009 between Chelsea and Azzon for the Proposed Establishment of Premium Outlets in Malaysia ("JVA") to extend the completion period of the JVA from 6 months to 9 months. All other terms and conditions stated in the JVA remained unchanged.

On 22 June 2010, GENP further announced that an Amended and Restated Joint Venture Agreement dated 21 June 2010 ("Amended JVA") has been entered into by Azzon, Chelsea, Simon Genting Limited (formerly known as Chelsea Genting Limited), Genting Simon Sdn Bhd (formerly known as Genting Chelsea Sdn Bhd) and Genting Land Sdn Bhd, a wholly owned subsidiary of GENP.

On 8 July 2010, GENP announced that the Amended JVA had become unconditional. Accordingly, Simon Genting Limited which is equally owned by Azzon and Chelsea and its wholly owned subsidiary, Genting Simon Sdn Bhd are now jointly controlled entities of GENP.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

### 44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

(c) On 26 November 2008, GENM announced that Resorts World Limited ("RWL") had entered into, amongst others, a call option agreement ("Option Agreement") with KH Digital Limited ("KHD") where KHD had granted a call option for a cash consideration of USD1 ("Call Option") for RWL to acquire, within a period of eighteen months from the date of the Option Agreement, the entire issued and paid-up share capital of Karridale Limited ("Karridale") at an exercise price of USD27.0 million. Karridale holds, via its wholly owned subsidiary Faargy Limited, a 10% economic stake in Walker Digital Lottery LLC.

On 26 May 2010, GENM announced that the Call Option has lapsed and RWL did not exercise its option to acquire the entire issued and paid-up share capital of Karridale.

(d) On 5 June 2009, GENP announced that the Sepanjang Group, an established palm oil producer based in the Republic of Indonesia, undertook an internal re-organisation of its corporate structure and operations. The re-organisation within the Sepanjang Group necessitated the restructuring of the remaining four joint venture ("JV") agreements in respect of the Proposed JV for oil palm cultivation in Kabupaten Ketapang, Provinsi Kalimantan Barat, Republic of Indonesia.

Accordingly, both GENP and the Sepanjang Group have mutually agreed that the remaining four JV agreements dated 8 June 2005, which all lapsed on 8 June 2009 would not be extended. In their place, new agreements were entered into on 5 June 2009 to enable the proposed joint venture with the Sepanjang Group for oil palm cultivation to proceed.

On 20 December 2010, GENP further announced that two out of the four JV agreements dated 5 June 2009 have been mutually terminated by the relevant parties on 20 December 2010 due to non-fulfilment of certain conditions precedent. The above-mentioned two JV agreements are as follows:

- (i) Joint venture agreement dated 5 June 2009 entered into between GP Equities Pte Ltd, an indirect wholly owned subsidiary of GENP, Borneo Palma Mulia Pte Ltd ("BPalma") and PT Mulia Agro Investama ("PTMulia"); and
- (ii) Joint venture agreement dated 5 June 2009 entered into between Sri Kenyalang Pte Ltd, an indirect wholly owned subsidiary of GENP, BPalma and PT Sawit Mandira ("PTMandira").

Save as set out above, the following two JV agreements are still in effect and ongoing;

- (i) Joint venture agreement dated 5 June 2009 entered into between Sandai Maju Pte Ltd, an indirect wholly owned subsidiary of GENP, BPalma and PTMulia; and
- (ii) Joint venture agreement dated 5 June 2009 entered into between Ketapang Holdings Pte Ltd, an indirect wholly owned subsidiary of GENP, BPalma and PTMandira.

The remaining two JV agreements are still conditional as at 31 December 2010. There have been no material changes to the status of these two JV agreements as at the date of this report.

(e) On 29 June 2010, Genting New York LLC ("Genting NY"), an indirect wholly owned subsidiary of GENM, submitted a formal bid to the New York State Division of Lottery ("New York Lottery") to allow Genting NY to participate in the bidding process to develop and operate a Video Lottery Facility at the Aqueduct Racetrack in the city of New York, United States of America ("Project").

On 3 August 2010, New York Lottery had recommended to the New York Governor for Genting NY to be awarded the New York video lottery licence for the Project.

On 17 August 2010, the New York State Office of the Governor issued a press release announcing the approval by the Governor, Senate Conference Leader and Assembly Speaker of the New York Lottery's recommendation, subject to review and approval by the Office of the Attorney General and Office of the State Comptroller.

Subsequently on 13 September 2010, the office of the State Comptroller announced its approval for Genting NY to be selected as the developer and operator of the Video Lottery Facility. That represented the final approval required.

On 24 September 2010, Genting NY made payment of USD380 million (approximately RM1,175.5 million) as the upfront licensing fee to the State of New York. The license is for a duration of 30 years.

(f) On 1 July 2010, GENM announced that Genting Worldwide (UK) Limited (formerly known as Festa Limited), a wholly owned subsidiary of Genting Worldwide Limited, which in turn is a wholly owned subsidiary of GENM, had entered into a conditional sale and purchase agreement with GENS to acquire from GENS its casino operations in the United Kingdom ("UK casinos") for a total cash consideration of GBP340 million ("Proposed Acquisition") which may be adjusted in accordance with the adjustment mechanism. The consideration was arrived at after arm's length negotiations and on a willing-buyer and willing-seller basis.

Likewise, GENS made a similar announcement on 1 July 2010 in relation to its proposed divestment of its UK casinos to GENM ("Proposed Divestment").

At the Extraordinary General Meetings of GENS and GENM held on 18 August 2010 and 24 August 2010 respectively, the respective shareholders of GENS and GENM approved the Proposed Divestment and Proposed Acquisition.

The Proposed Divestment and Proposed Acquisition were completed on 15 October 2010.

(g) On 23 November 2010, the Company announced that its wholly owned subsidiary, Genting Intellectual Property Pte Ltd ("GIP") and Resorts World Inc Pte Ltd ("RWI"), a wholly owned subsidiary of GIP, had on that day, entered into a share subscription agreement ("SSA") with Genting International Management Limited ("GIML"), Star Market Holdings Limited ("SMHL"), Resorts World Enterprise Limited ("RWEL") and KHRV Limited ("KHRV") (collectively, the "Investors") pursuant to which:

- (i) each Investor will subscribe for 750,000 shares in RWI representing 20% of the enlarged equity in RWI for a consideration of SGD750,000; and

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

- (ii) GIP will subscribe for 749,999 shares in RWI, which together with the 1 share then owned by GIP in RWI, represents a 20% interest in the enlarged equity in RWI for a consideration of SGD749,999.

subject to the terms and conditions of the SSA.

The SSA was completed on 23 November 2010. Since then, RWI ceased to be a subsidiary of the Company and has been accounted for as an associated company of the Company.

The aforesaid transaction was to enable all the Investors to come together to jointly promote the "GENTING" and "RESORTS WORLD" brand and related intellectual property rights (collectively, "Group IP") internationally and to pool their respective expertise to enhance and unlock the value of the Group IP. This would allow for centralization and coordination of efforts in growing the Group IP via a single team at RWI, and thereby reducing inter-group competition for licensing arrangements, and facilitating the exploitation of the Group IP in a more efficient and coordinated manner.

## 45. SIGNIFICANT SUBSEQUENT EVENT

On 1 February 2011, GENS Group has obtained syndicated secured credit facilities of SGD4.1925 billion for the purpose of refinancing the facilities obtained in 2008 in connection with the construction, development and operation of the Integrated Resort at Sentosa Island. The new facilities comprise SGD3.5 billion in term loan facilities, SGD0.5 billion in revolving credit facilities and a SGD192.5 million banker's guarantee facility. The facilities were fully underwritten by 5 reputable mandated lead arrangers and bookrunners. GENS is the sponsor for the new facilities.

## 46. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In the normal course of business, the Company and the Group undertakes on agreed terms and prices, transactions with its related companies and other related parties.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions listed below were carried out on terms and conditions negotiated and agreed between the parties.

	Group		Company	
	2010	2009	2010	2009
<b>(a) Transactions with subsidiaries</b>				
(i) Licensing fees from the subsidiaries to the Company for the use of name and accompanying logo of "Genting" and "Awana" owned by the Company.	-	-	174.9	171.5
(ii) Management fees from Genting Hotel & Resorts Management Sdn Bhd ("GHRM"), a wholly owned subsidiary of the Company, to the Company for the provision of the necessary resort management services to enable GHRM to perform its various obligations under the Resort Management Agreement with GENM.	-	-	396.2	391.2
(iii) Interest income earned by the Company from its subsidiaries on the interest bearing portion of the amount due from subsidiaries.	-	-	42.3	46.2
(iv) Finance cost charged by subsidiaries to the Company on the interest bearing portion of the amount due to subsidiaries.	-	-	134.6	73.7
(v) Provision of information technology consultancy, development, implementation, support and maintenance service, other management services and rental of information technology equipment by subsidiaries to the Company.	-	-	3.6	3.4
(vi) Gain from disposal by the Company of the total issued and paid-up share capital of its wholly owned subsidiaries, Oakwood Sdn Bhd ("Oakwood") and Genting Highlands Tours and Promotion Sdn Bhd, to GENM.	-	-	-	213.3
(vii) Rental charges for office space and related services by Oakwood to the Company.	-	-	2.2	2.2
(viii) Provision of management and/or support services by the Company to its subsidiaries and associates.	-	-	13.3	12.3
<b>(b) Transactions with associates and jointly controlled entities</b>				
(i) Provision of management services to AsianIndo Holding Pte Ltd, a 60% owned subsidiary of GENP by GaiaAgri Services Limited, an associate of GENP.	1.9	2.0	-	-
(ii) Provision of goods and services by DCP (Sentosa) Pte Ltd, a jointly controlled entity of GENS to GENS Group.	50.7	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 46. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

	Group		Company	
	2010	2009	2010	2009
<b>(c) Transactions with other related parties</b>				
(i) Rental of premises and provision of connected services by GENM to Oriregal Creations Sdn Bhd ("Oriregal"). Puan Sri Lim (Nee Lee) Kim Hua, mother of Tan Sri Lim Kok Thay ("TSLKT"), is a director and substantial shareholder of Oriregal.	1.4	1.3	-	-
(ii) Professional design consultancy and master-planning services rendered to RWSPL, by International Resort Management Services Pte Ltd, a company in which TSLKT has substantial financial interest in relation to the Resorts World Sentosa integrated resort in Singapore.	3.0	8.1	-	-
(iii) Rental of premises and provision of connected services by Oakwood to Genting HK and its subsidiaries, where TSLKT is the Chairman, Chief Executive Officer, shareholder and share option holder of Genting HK.	0.7	1.2	-	-
(iv) Air ticketing and transportation services rendered by Resorts World Tours Sdn Bhd, a wholly owned subsidiary of GENM to Genting HK and its subsidiaries.	1.0	1.7	-	-
(v) Rental of apartment by Rich Hope Limited, a company owned by TSLKT and his spouse to GENS.	-	0.7	-	-
(vi) Provision of management services by GENS Group to Ambadell Pty Ltd, a subsidiary of Golden Hope Limited ("GHL"). TSLKT is a director of GHL, which acts as trustee of Golden Hope Unit Trust, a private unit trust the voting units of which are ultimately owned by a discretionary trust in which TSLKT is a beneficiary.	0.3	0.2	-	-
(vii) Provision of genomics research services by SGSI-Asiatic Limited to ACGT Sdn Bhd ("ACGT"), a wholly owned subsidiary of GENP in the previous financial year, where TSLKT is a director and shareholder of GENP as well as a director, shareholder and option holder of the Company. SGSI-Asiatic Limited was then a jointly controlled entity of GENP in which TSLKT was a beneficiary of a trust which had 12.5% equity interest in Synthetic Genomics Inc. ("SGI"), which in turn has 50% interest in SGSI-Asiatic Limited.	-	46.1	-	-
(viii) Subscription by Green Resources, LLC ("GRL"), a wholly owned subsidiary of SGI of 15,043,478 new ordinary shares of RM1.00 each in ACGT, representing 8% of the enlarged issued and paid-up share capital of ACGT, in exchange for GRL's 50% shareholding in SGSI-Asiatic Limited.	25.6	-	-	-
(ix) Subscription by GENP Group of 1,000,000 Series C Convertible Preferred Stock in SGI.	32.8	-	-	-
(x) Subscription by Dragasac Limited, a wholly owned subsidiary of the Company of 555,556 Class A common stock and 500,000 Series C Convertible Preferred Stock in SGI.	32.5	-	-	-
(xi) Air ticketing services and purchase of holiday package rendered by Genting HK Group to GENS and GENM Group and a wholly owned subsidiary of the Company.	4.1	-	-	-
(xii) Provision of information technology, implementation, support and maintenance services by GENS Group to Genting HK Group.	1.9	-	-	-
<b>(d) Directors and key management personnel</b>				
The remuneration of Directors and other key management personnel is as follows:				
Fees, salaries, ex-gratia and bonuses	86.0	72.8	38.0	35.7
Defined contribution plan	9.9	9.3	5.0	4.8
Other short term employee benefits	0.5	0.6	-	0.1
Provision for retirement gratuities	17.6	12.6	9.7	6.5
Estimated money value of benefits-in-kind (not charged to the income statements)	2.9	0.7	0.5	0.1
<b>(e) The significant outstanding balances with other related parties as at reporting date were as follows:</b>				
(i) Amount receivable from related parties:				
- Other related parties	20.3	18.1	-	-
(ii) Amount payable to related parties:				
- Other related parties	65.9	54.3	-	-
- Jointly controlled entity	4.5	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 47. COMPARATIVE FIGURES

Certain comparative figures in the financial statements of the Group and Company have been reclassified to conform with the presentation in the current financial year. These relate mainly to the following:

	Group			Company		
	As previously reported	Re-classification	As reclassified	As previously reported	Re-classification	As reclassified
<b>As at 31 December 2009</b>						
Short term investments	3,231.1	(2,917.0)	314.1	448.1	(448.1)	-
Bank balances and deposits	11,475.6	(11,475.6)	-	126.8	(126.8)	-
Cash and cash equivalents	-	14,392.6	14,392.6	-	574.9	574.9
<b>As at 1 January 2009</b>						
Short term investments	2,529.4	(2,366.1)	163.3			
Bank balances and deposits	6,937.2	(6,937.2)	-			
Cash and cash equivalents	-	9,303.3	9,303.3			

FRS 101 requires a Statement of Financial Position as at beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement or when the entity reclassifies items in the financial statements. Consequently, the Group has presented the Statements of Financial Position as at 1 January 2009, 31 December 2009 and 31 December 2010.

## 48. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2010	2009		
<b>Direct Subsidiaries</b>				
GB Services Berhad	100.0	100.0	Malaysia	Issuance of private debt securities
Genting Capital Limited	100.0	100.0	Labuan, Malaysia	Offshore financing
+ Genting Energy Limited	100.0	100.0	Isle of Man	Investment holding
+ Genting Equities (Hong Kong) Limited	100.0	100.0	Hong Kong, SAR	Investments
^ Genting Genomics Limited	100.0	100.0	Isle of Man	Investment holding
Genting Hotel & Resorts Management Sdn Bhd	100.0	100.0	Malaysia	Provision of resort management services
+ Genting Intellectual Property Pte Ltd	100.0	100.0	Singapore	Investments
Genting Intellectual Property Sdn Bhd (formerly known as Aurasun Resources Sdn Bhd)	100.0	-	Malaysia	Licensing of intellectual property and provision of related services
Genting (Labuan) Limited	100.0	100.0	Labuan, Malaysia	Rent-A-Captive Offshore insurance business
Genting Malaysia Berhad (see Note 22)	49.3	48.7	Malaysia	Resort, hotel and gaming operations
Genting Management and Consultancy Services Sdn Bhd	100.0	100.0	Malaysia	Management services
+ Genting Management (Singapore) Pte Ltd	100.0	100.0	Singapore	Investments
Genting Oil & Gas Sdn Bhd	100.0	100.0	Malaysia	Provision of advisory, technical and administrative services to oil and gas companies
+ Genting Overseas Holdings Limited	100.0	100.0	Isle of Man	Investment holding
Genting Plantations Berhad	54.6	54.6	Malaysia	Plantation, investment holding and management services
Genting Risk Solutions Sdn Bhd	100.0	100.0	Malaysia	Provision of risk and insurance management consultancy
+ Logan Rock Limited	100.0	100.0	Isle of Man	Investments
Maxitage Sdn Bhd	100.0	100.0	Malaysia	Investments
Phoenix Spectrum Sdn Bhd	100.0	100.0	Malaysia	Investments
Prime Holdings (Labuan) Limited	100.0	100.0	Labuan, Malaysia	Offshore financing
+ Vista Knowledge Pte Ltd	100.0	100.0	Singapore	Investments
Genting Permata Sdn Bhd	100.0	100.0	Malaysia	Dormant
Genting Sanyen Newsprint Sdn Bhd	100.0	100.0	Malaysia	Dormant
+ Resorts World Bhd (Hong Kong) Limited	100.0	100.0	Hong Kong, SAR	Dormant
+ Resorts World (Singapore) Pte Ltd	100.0	100.0	Singapore	Dormant
+ Genting Bhd (Hong Kong) Limited	100.0	100.0	Hong Kong, SAR	Pre-operating

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 48. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2010	2009		
<b>Direct Subsidiaries (cont'd)</b>				
Genting Digital Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
+ Genting Games Pte Ltd	100.0	100.0	Singapore	Pre-operating
+ Genting Gaming Solutions Pte Ltd	100.0	100.0	Singapore	Pre-operating
Genting Group Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
+ Genting Innovation Pte Ltd	100.0	100.0	Singapore	Pre-operating
^ Genting Intellectual Ventures Limited	100.0	100.0	Isle of Man	Pre-operating
+ Genting (Singapore) Pte Ltd	100.0	100.0	Singapore	Pre-operating
Genting Strategic Holdings Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
+ Genting Strategic Investments (Singapore) Pte Ltd	100.0	100.0	Singapore	Pre-operating
Genting Strategic Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
+ Genting Strategic (Singapore) Pte Ltd	100.0	100.0	Singapore	Pre-operating
Lacustrine Limited	100.0	100.0	Isle of Man	Pre-operating
Newquest Limited	100.0	-	Isle of Man	Pre-operating
Peak Avenue Limited	100.0	-	Isle of Man	Pre-operating
Prime Offshore (Labuan) Limited	100.0	100.0	Labuan, Malaysia	Pre-operating
+ Resorts World Limited	100.0	100.0	Hong Kong, SAR	Pre-operating
Sri Highlands Express Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
GB Credit & Leasing Sdn Bhd (In Members' Voluntary Liquidation)	69.5	69.5	Malaysia	Pending liquidation
Prime Venture (Labuan) Limited	-	100.0	Labuan, Malaysia	Liquidated
<b>Indirect Subsidiaries</b>				
ACGT Sdn Bhd	50.2	54.6	Malaysia	Genomics research and development
+ Adriana Limited	51.7	53.9	Isle of Man	Sales coordinator
Aliran Tunas Sdn Bhd	49.3	48.7	Malaysia	Provision of water services at Genting Highlands
+ Ascend International Holdings Limited	51.7	53.9	Hong Kong, SAR	Provision of IT related services, marketing and investment holding
Ascend Solutions Sdn Bhd	51.7	53.9	Malaysia	Provision of IT services and consultancy
+ Asian Palm Oil Pte Ltd	42.0	32.8	Singapore	Investment holding
+ AsianIndo Holdings Pte Ltd	42.0	32.8	Singapore	Investment holding
+ AsianIndo Palm Oil Pte Ltd	42.0	32.8	Singapore	Investment holding
Asiaticom Sdn Bhd	54.6	54.6	Malaysia	Plantation
Awana Hotels & Resorts Management Sdn Bhd	100.0	100.0	Malaysia	Provision of hotels and resorts management services
Awana Vacation Resorts Development Berhad	49.3	48.7	Malaysia	Proprietary timeshare ownership scheme
^ Azzon Limited	54.6	54.6	Isle of Man	Investment holding
^ Bromet Limited	49.3	48.7	Isle of Man	Investment holding
^ Calidone Limited	51.7	53.9	Isle of Man	Investment holding
^ Coastal Gusu Heat & Power Ltd	100.0	100.0	Cayman Islands	Investment holding
^ Coastal Nanjing Power Ltd	100.0	100.0	Cayman Islands	Investment holding
^ Coastal Suzhou Power Ltd	100.0	100.0	Cayman Islands	Investment holding
^ Coastal Wuxi Power Ltd	100.0	100.0	Cayman Islands	Investment holding
+ Coastbright Limited	49.3	53.9	United Kingdom	Casino owner and operator
^ Degan Limited	50.2	54.6	Isle of Man	Investment holding
Delquest Sdn Bhd	49.3	48.7	Malaysia	Investments
^ Digital Tree LLC	49.3	48.7	United States of America	Collection of royalties
^ Digital Tree (USA) Inc	49.3	48.7	United States of America	Investment holding
^ Dragasac Limited	100.0	100.0	Isle of Man	Investments
Eastern Wonder Sdn Bhd	49.3	48.7	Malaysia	Support services
^ Edith Grove Limited	100.0	100.0	Isle of Man	Investment holding

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 48. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2010	2009		
<b>Indirect Subsidiaries (cont'd)</b>				
E-Genting Holdings Sdn Bhd	51.7	53.9	Malaysia	Investment, management services, IT consultancy
E-Genting Sdn Bhd	51.7	53.9	Malaysia	IT/Data centre and consultancy
First World Hotels & Resorts Sdn Bhd	49.3	48.7	Malaysia	Hotel business
^ Fujian Electric (Hong Kong) LDC	100.0	100.0	Cayman Islands	Investment holding
+ Fujian Pacific Electric Company Limited	100.0	100.0	China	Generation and supply of electric power
+ Gecoun Limited	100.0	100.0	Isle of Man	Investment holding
Genasa Sdn Bhd	49.3	48.7	Malaysia	Sale and letting of apartment units
Genmas Sdn Bhd	49.3	48.7	Malaysia	Sale and letting of land and property
Gensa Sdn Bhd	49.3	48.7	Malaysia	Sale and letting of land and property
Genting Administrative Services Sdn Bhd	49.3	48.7	Malaysia	Investment holding
+ Genting Alderney Limited	51.7	53.9	Alderney Channel Islands	Online gaming operator
Genting Awanpura Sdn Bhd	54.6	54.6	Malaysia	Provision of project management service
+ Genting Bio-Fuels Asia Pte Ltd	100.0	100.0	Singapore	Investment holding
+ Genting Bio-Oil Sdn Bhd	97.7	97.7	Malaysia	Manufacturing and trading of bio-oil
^ Genting Bioscience Limited	54.6	-	Isle of Man	Investment holding
Genting Biotech Sdn Bhd	54.6	-	Malaysia	Investment holding
+ Genting Casinos UK Limited	49.3	53.9	United Kingdom	Casino operator
Genting Centre of Excellence Sdn Bhd	49.3	48.7	Malaysia	Provision of training services
^ Genting East Coast USA Inc	49.3	-	United States of America	Investment holding
^ Genting East Coast USA Limited (formerly known as Gillion Limited)	49.3	-	Isle of Man	Investment holding
Genting Energy Sdn Bhd	97.7	97.7	Malaysia	Investment holding
Genting Entertainment Sdn Bhd	49.3	48.7	Malaysia	Show agent
Genting Golf Course Bhd	49.3	48.7	Malaysia	Condotel and hotel business, golf resort and property development
Genting Green Tech Sdn Bhd	54.6	54.6	Malaysia	Research and development and production of superior oil palm planting materials
Genting Highlands Berhad	49.3	48.7	Malaysia	Land and property development
Genting Highlands Tours and Promotion Sdn Bhd	49.3	48.7	Malaysia	Letting of land and premises
^ Genting Ibico Holdings Limited (formerly known as Ibico Holdings Limited)	49.3	-	Isle of Man	Investment holding
Genting Indahpura Development Sdn Bhd	54.6	54.6	Malaysia	Property development
+ Genting India Travel Services Private Limited	51.7	53.9	India	Tour promotion
+ Genting Industrial Holdings Limited	97.7	97.7	Isle of Man	Investment holding
Genting Information Knowledge Enterprise Sdn Bhd	51.7	53.9	Malaysia	Research and development of software and consultancy services
+ Genting Integrated Resorts Operations Management Pte Ltd	51.7	53.9	Singapore	International resort management
+ Genting International Enterprises (Singapore) Pte Ltd	49.3	53.9	Singapore	Investment holding
+ Genting International Gaming & Resort Technologies Pte Ltd	51.7	53.9	Singapore	Research and development of software and IT consultancy services
+ Genting International Industries (Singapore) Pte Ltd	97.7	97.7	Singapore	Investment holding
+ Genting International Investment Properties (UK) Limited	49.3	53.9	United Kingdom	Property investment and development
+ Genting International Investment (UK) Limited	49.3	53.9	United Kingdom	Investment holding
# Genting International Japan Co. Ltd	51.7	53.9	Japan	Tour promotion
+ Genting International Limited	51.7	53.9	Isle of Man	Investment holding
+ Genting International Management Limited	51.7	53.9	Isle of Man	Investment holding and sales coordinator

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 48. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2010	2009		
<b>Indirect Subsidiaries (cont'd)</b>				
+ Genting International Management Services Pte Ltd	51.7	53.9	Singapore	Investment holding
^ Genting International Paper Limited	100.0	100.0	Isle of Man	Investment holding
^ Genting International Properties Limited	51.7	53.9	Isle of Man	Investment holding
^ Genting International Resorts Management Limited	51.7	53.9	Isle of Man	Investment holding
Genting International Sdn Bhd	51.7	53.9	Malaysia	Provision of services
+ Genting International Services Singapore Pte Ltd	51.7	53.9	Singapore	Provision of services
+ Genting International (Singapore) Pte Ltd	51.7	53.9	Singapore	Tour promotion
+ Genting International (Thailand) Limited	47.0	49.0	Thailand	Tour promotion
+ Genting International (UK) Limited	49.3	53.9	United Kingdom	Investment holding
Genting Irama Sdn Bhd	49.3	48.7	Malaysia	Investment holding
+ Genting Lanco Power (India) Pvt Ltd	74.0	74.0	India	Provision of operation and maintenance services for power plant
Genting Land Sdn Bhd	54.6	54.6	Malaysia	Property investment
^ Genting Las Vegas LLC (formerly known as Resorts World Digital, LLC)	49.3	48.7	United States of America	Investment holding
Genting Leisure Sdn Bhd	49.3	48.7	Malaysia	Investment holding
^ Genting Nevada Inc	49.3	-	United States of America	Investment holding
+ Genting New York LLC (formerly known as New Quest, LLC)	49.3	48.7	United States of America	Developer of the Video Lottery Facility
+ Genting (NSW) Pty Ltd	51.7	53.9	Australia	Investment and management services
+ Genting Oil & Gas Limited	95.0	95.0	Singapore	Oil & gas exploration
+ Genting Oil Kasuri Pte Ltd	95.0	95.0	Singapore	Oil & gas exploration
Genting Oil Mill Sdn Bhd	54.6	54.6	Malaysia	Fresh fruit bunches processing
+ Genting Oil Morocco Limited	95.0	95.0	Isle of Man	Oil & gas exploration
+ Genting Oil Natuna Pte Ltd	95.0	95.0	Singapore	Oil & gas exploration
+ Genting Overseas Investments Limited	100.0	100.0	Isle of Man	Investments
^ Genting Overseas Management Limited	100.0	100.0	Isle of Man	Investment holding
Genting Permaipura Golf Course Berhad	54.6	54.6	Malaysia	Golf course operation
Genting Plantations (WM) Sdn Bhd	54.6	54.6	Malaysia	Plantation
^ Genting Power China Limited	100.0	100.0	Bermuda	Investment holding
+ Genting Power Holdings Limited	100.0	100.0	Isle of Man	Investment holding
+ Genting Power (India) Limited	100.0	100.0	Mauritius	Investment holding
+ Genting Power (M) Limited	100.0	100.0	Isle of Man	Investment holding
Genting Property Sdn Bhd	54.6	54.6	Malaysia	Property development
Genting Sanyen (Malaysia) Sdn Bhd	97.7	97.7	Malaysia	Property management services and investment holding
Genting Sanyen Power (Labuan) Limited	100.0	100.0	Labuan, Malaysia	Investment holding
Genting Sanyen Power Sdn Bhd	58.6	58.6	Malaysia	Generation and supply of electric power
Genting SDC Sdn Bhd	54.6	54.6	Malaysia	Plantation
+ Genting Singapore Aviation	51.7	-	Cayman Islands	Own and operate aircrafts
+ Genting Singapore PLC	51.7	53.9	Isle of Man	Investment holding
Genting Skyway Sdn Bhd	49.3	48.7	Malaysia	Provision of cable car services
Genting Tanjung Bahagia Sdn Bhd	54.6	54.6	Malaysia	Plantation
+ Genting UK Plc	49.3	53.9	United Kingdom	Investment holding
^ Genting (USA) Limited (formerly known as Resorts World Concepts Limited)	49.3	48.7	Isle of Man	Investment holding
Genting Utilities & Services Sdn Bhd	49.3	48.7	Malaysia	Provision of electricity supply services at Genting Highlands and investment holding

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 48. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2010	2009		
<b>Indirect Subsidiaries (cont'd)</b>				
^ Genting West Coast USA Limited (formerly known as Qutink Limited)	49.3	-	Isle of Man	Investment holding
Genting World Sdn Bhd	49.3	48.7	Malaysia	Leisure and entertainment business
Genting WorldCard Services Sdn Bhd	51.7	53.9	Malaysia	Management of loyalty programme services
Genting Worldwide (Labuan) Limited	49.3	-	Labuan, Malaysia	Offshore financing
^ Genting Worldwide Limited (formerly known as High Valley Limited)	49.3	-	Isle of Man	Investment holding
^ Genting Worldwide (UK) Limited (formerly known as Feste Limited)	49.3	-	Isle of Man	Investment holding
Gentinggi Sdn Bhd	49.3	48.7	Malaysia	Investment holding
+ Geremi Limited	51.7	53.9	Isle of Man	Investment holding
GHR Risk Management (Labuan) Limited	49.3	48.7	Labuan, Malaysia	Offshore captive insurance
+ Golden Site Limited	49.3	-	Hong Kong	International sales and marketing services
+ Golden Site Pte Ltd	49.3	-	Singapore	International sales and marketing services
GProperty Construction Sdn Bhd	54.6	54.6	Malaysia	Provision of project management services
+ GP (Raigad) Pte Ltd (formerly known as Bio Tech Intensive Pte Ltd)	100.0	100.0	Singapore	Investment holding
+ GP Wind (Jangi) Private Limited	100.0	-	India	Power generation
+ Green Synergy Holdings Pte Ltd (formerly known as Integrated Bio Greenergy Pte Ltd)	100.0	100.0	Singapore	Investment holding
GSHK Capital Limited (formerly known as Genting Singapore (HK) Limited)	51.7	53.9	Hong Kong, SAR	Investment, marketing and promotion
+ Hari Hareshwar Power Company Private Limited	51.0	-	India	Power generation
+ Kara Palm Oil Pte Ltd	42.0	32.8	Singapore	Investment holding
+ Ketapang Agri Holdings Pte Ltd	54.6	54.6	Singapore	Investment holding
Kijal Facilities Services Sdn Bhd	49.3	48.7	Malaysia	Letting of its apartments units
Kijal Resort Sdn Bhd	49.3	48.7	Malaysia	Property development and property management
^ Lafleur Limited	49.3	48.7	Isle of Man	Investment holding
Landworthy Sdn Bhd	45.9	45.9	Malaysia	Plantation
Leisure & Cafe Concept Sdn Bhd	49.3	48.7	Malaysia	Karaoke business
+ Lestari Listrik Pte Ltd	100.0	100.0	Singapore	Investment holdings
Lingkaran Cergas Sdn Bhd	49.3	48.7	Malaysia	Provision of services at Genting Highlands
Mastika Lagenda Sdn Bhd	97.7	97.7	Malaysia	Investment holding
Mastika Utilities & Services Sdn Bhd	97.7	97.7	Malaysia	Provision and sale of utilities consisting of treatment and supply of water
Mediglove Sdn Bhd	54.6	54.6	Malaysia	Investment holding
+ Medo Investment Pte Ltd	51.7	53.9	Singapore	Investment holding
+ Medo Limited	51.7	53.9	Isle of Man	Investment holding
^ Meizhou Wan Power Production Holding Company, Ltd	100.0	100.0	Cayman Islands	Investment holding
^*Nanjing Coastal Xingang Cogeneration Power Plant	80.0	80.0	China	Generation and supply of electric power
Nature Base Sdn Bhd	49.3	48.7	Malaysia	Provision of services at Genting Highlands
^ Nedby Limited	49.3	53.9	Isle of Man	Investment holding
Netyield Sdn Bhd	49.3	48.7	Malaysia	Provision of services to Genting Highlands
Oakwood Sdn Bhd	49.3	48.7	Malaysia	Property investment and management
Orbit Crescent Sdn Bhd	54.6	54.6	Malaysia	Investment holding
^ Orient Wonder International Limited	49.3	48.7	Bermuda	Ownership and operation of aircraft
^ Oxalis Limited	100.0	100.0	Isle of Man	Coal trading
+ Palomino Limited	51.7	53.9	Isle of Man	Investments
^ Palomino Star Limited	49.3	53.9	Isle of Man	Investment holding
+ Palomino Sun Limited	51.7	53.9	Isle of Man	Investment holding

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 48. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2010	2009		
<b>Indirect Subsidiaries (cont'd)</b>				
# Palomino Sun (UK) Limited	51.7	53.9	United Kingdom	Investment holding
^ Palomino World Limited	49.3	53.9	Isle of Man	Investment holding
Papago Sdn Bhd	49.3	48.7	Malaysia	Resort and hotel business
Possible Wealth Sdn Bhd	49.3	-	Malaysia	Investment holding
+ PT Dwie Warna Karya	39.9	31.1	Indonesia	Plantation
+ PT Genting Plantations Nusantara	54.6	54.6	Indonesia	Provision of management services
+ PT Kapuas Maju Jaya	39.9	31.1	Indonesia	Plantation
+ PT Sawit Mitra Abadi	38.2	38.2	Indonesia	Plantation
+ PT Sepanjang Intisurya Mulia	38.2	38.2	Indonesia	Plantation
+ PT Surya Agro Palma	38.2	-	Indonesia	Plantation
+ PT Susantri Permai	39.9	31.1	Indonesia	Plantation
Resorts Facilities Services Sdn Bhd	49.3	48.7	Malaysia	Property upkeep services
Resorts Tavern Sdn Bhd	49.3	48.7	Malaysia	Land and property development
+ Resorts World at Sentosa Pte Ltd	51.7	53.9	Singapore	Developer and operator of an integrated resort
^ Resorts World Capital Limited	49.3	-	Isle of Man	Investment holding
^ Resorts World Enterprise Limited	49.3	-	Isle of Man	Investment holding
+ Resorts World Limited	49.3	48.7	Isle of Man	Investment holding and investment trading
Resorts World Properties Sdn Bhd	49.3	48.7	Malaysia	Investment holding
Resorts World Tours Sdn Bhd	49.3	48.7	Malaysia	Provision of tour and travel related services
^ Roundhay Limited	95.0	95.0	Isle of Man	Investment holding
+ RWD Holding Pte Ltd	49.3	-	Singapore	Investment holding
^ RWD US Holding Inc	49.3	-	United States of America	Investment holding
^ RWD US LLC	49.3	-	United States of America	Software development
^ R.W. Investments Limited	49.3	48.7	Isle of Man	Investment holding
+ Sanggau Holdings Pte Ltd	54.6	54.6	Singapore	Investment holding
+ Sanyen Oil & Gas Pte Ltd	95.0	95.0	Singapore	Oil & gas exploration
Sawit Sukau Usahasama Sdn Bhd	30.5	30.5	Malaysia	Plantation
+ Sedby Limited	51.7	53.9	Isle of Man	Investment holding
Seraya Mayang Sdn Bhd	49.3	48.7	Malaysia	Investment holding
Setiachahaya Sdn Bhd	77.3	77.3	Malaysia	Property investment
Setiamas Sdn Bhd	54.6	54.6	Malaysia	Plantation and property development
Setiaseri Sdn Bhd	49.3	48.7	Malaysia	Letting of its apartment units
^ SGSI-Asiatic Limited	50.2	27.3	British Virgin Islands	Genomics research and development
Sierra Springs Sdn Bhd	49.3	48.7	Malaysia	Investment holding
+ Sri Nangatayap Pte Ltd	54.6	54.6	Singapore	Investment holding
# Stanley Casinos Holdings Limited	49.3	53.9	United Kingdom	Investment holding
# Stanley Overseas Holdings Limited	49.3	53.9	United Kingdom	Investment holding
# Star Eagle Holdings Limited	51.7	53.9	British Virgin Islands	Investment holding
+ Suzhou Ascend Technology Co. Limited	51.7	53.9	China	Provision of IT related services
^*Suzhou Coastal Cogeneration Power Company Ltd	60.0	60.0	China	Generation and supply of electric power
+ Swallow Creek Limited	95.0	95.0	Isle of Man	Investment holding
# Tameview Properties Limited	49.3	53.9	United Kingdom	Property company
Technimode Enterprises Sdn Bhd	54.6	54.6	Malaysia	Property investment
^ Torrens Limited	97.7	97.7	Isle of Man	Investment holding
Trushidup Plantations Sdn Bhd	54.6	54.6	Malaysia	Investment holding
^ Two Digital Tress LLC	49.3	48.7	United States of America	Investment holding

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 48. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2010	2009		
<b>Indirect Subsidiaries (cont'd)</b>				
^ VendWorld, LLC	<b>49.3</b>	48.7	United States of America	Investment holding
Vestplus Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Sale and letting of apartment units
Wawasan Land Progress Sdn Bhd	<b>54.6</b>	54.6	Malaysia	Plantation
+ WEB Energy Ltd	<b>100.0</b>	100.0	Mauritius	Investment holding
Widuri Pelangi Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Golf resort and hotel business
+ WorldCard Overseas Holdings Limited	<b>51.7</b>	53.9	Isle of Man	Service provider of loyalty programmes
WorldCard Services Sdn Bhd	<b>51.7</b>	53.9	Malaysia	Management of loyalty programme services
^*Wuxi Huada Gas Turbine Electric Power Company	<b>60.0</b>	60.0	China	Generation and sale of electric power
# Advanced Technologies Limited	<b>49.3</b>	53.9	Dominica	Dormant
Amalgamated Rubber (Penang) Sdn Bhd	<b>54.6</b>	54.6	Malaysia	Dormant
# Annabel's Casino Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
AR Property Development Sdn Bhd	<b>54.6</b>	54.6	Malaysia	Dormant
# Baychain Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# C C Derby Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Capital Casinos Group Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Capital Clubs Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Capital Corporation (Holdings) Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Capital Corporation Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Cascades Casinos Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Cascades Clubs Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Castle Casino Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Cengkeh Emas Sdn Bhd	<b>54.6</b>	54.6	Malaysia	Dormant
# Churchstirling Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Cotedale Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Crockfords Club Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Crockfords Investments Limited	<b>49.3</b>	53.9	Guernsey	Dormant
# Cromwell Sporting Enterprises Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Dasar Pinggir (M) Sdn Bhd	<b>97.7</b>	97.7	Malaysia	Dormant
# Dealduo Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Dianti Plantations Sdn Bhd	<b>54.6</b>	54.6	Malaysia	Dormant
# Drawlink Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Equarius Resort Sdn Bhd	<b>51.7</b>	53.9	Malaysia	Dormant
+ Freeany Enterprises Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Gameover Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Genas Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
Genawan Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
Gentas Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
Gentasa Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
# Genting Casinos Egypt Ltd (formerly known as Spielers Casino (Southend) Limited)	<b>49.3</b>	53.9	United Kingdom	Dormant
Genting Newsprint Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Dormant
+ Genting Oil Salawati Pte Ltd	<b>95.0</b>	95.0	Singapore	Dormant
+ Genting Property Limited	<b>100.0</b>	100.0	Isle of Man	Dormant
+ Genting Solihull Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Genting Studio Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
Genting Theme Park Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
# Genting1 Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Gentinggi Quarry Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
Glugor Development Sdn Bhd	<b>54.6</b>	54.6	Malaysia	Dormant

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 48. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2010	2009		
<b>Indirect Subsidiaries (cont'd)</b>				
^ GP Overseas Limited	<b>54.6</b>	54.6	Isle of Man	Dormant
GP (Sarawak) Palm Oil Mill Management Sdn Bhd	<b>54.6</b>	54.6	Malaysia	Dormant
# Harbour House Casino Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Hazelman Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Hitechwood Sdn Bhd	<b>49.3</b>	29.2	Malaysia	Dormant
Ikhlas Tiasa Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
# Incomeactual Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Infomart Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Dormant
# International Sporting Club (London) Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
^ Jamberoo Limited	<b>95.0</b>	95.0	Isle of Man	Dormant
Jomara Sdn Bhd	<b>49.3</b>	29.2	Malaysia	Dormant
Kenyalang Borneo Sdn Bhd	<b>54.6</b>	54.6	Malaysia	Dormant
Kinavest Sdn Bhd	<b>54.6</b>	54.6	Malaysia	Dormant
Kituva Plantations Sdn Bhd	<b>54.6</b>	54.6	Malaysia	Dormant
Laila Limited	<b>95.0</b>	95.0	Isle of Man	Dormant
# Langway Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Merriwa Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
# Metro Leisure Group Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# MLG Investments Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Neutrino Space Sdn Bhd	<b>49.3</b>	29.2	Malaysia	Dormant
^ Orient Star International Limited	<b>49.3</b>	48.7	Bermuda	Dormant
# Palm Beach Club Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Palomino World (UK) Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Pellanfayre Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Phoenix Track Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
Plantation Latex (Malaya) Sdn Bhd	<b>54.6</b>	54.6	Malaysia	Dormant
Possible Affluent Sdn Bhd	<b>49.3</b>	29.2	Malaysia	Dormant
Rapallo Sdn Bhd	<b>49.3</b>	29.2	Malaysia	Dormant
+ Resorts World Marketing Pte Ltd	<b>51.7</b>	53.9	Singapore	Dormant
Resorts World Spa Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
+ Resorts World Ventures Limited	<b>49.3</b>	48.7	Isle of Man	Dormant
Sahabat Alam Sdn Bhd	<b>97.7</b>	97.7	Malaysia	Dormant
Setiabahagia Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
^ Sorona Limited	<b>100.0</b>	100.0	Isle of Man	Dormant
Space Fair Sdn Bhd	<b>49.3</b>	29.2	Malaysia	Dormant
# Sportcrest Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# St Aubin Properties Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Stake Excellent Sdn Bhd	<b>49.3</b>	48.7	Malaysia	Dormant
# Stanley Genting Casinos (Leeds) Limited	<b>50.5</b>	53.9	United Kingdom	Dormant
+ Stanley Genting Casinos Limited	<b>50.5</b>	53.9	United Kingdom	Dormant
# Stanley Interactive Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Stanley Leisure Group (Malta) Limited	<b>49.3</b>	53.9	Malta	Dormant
# Stanley Leisure (Ireland)	<b>49.3</b>	53.9	Ireland	Dormant
# Stanley Online Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Stanley Snooker Clubs Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# Star City Casino Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
Sweet Bonus Sdn Bhd	<b>49.3</b>	29.2	Malaysia	Dormant
# The Colony Club Limited	<b>49.3</b>	53.9	United Kingdom	Dormant
# The Kings Casino (Yarmouth) Limited	<b>49.3</b>	53.9	United Kingdom	Dormant

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 48. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2010	2009		
<b>Indirect Subsidiaries (cont'd)</b>				
# The Midland Wheel Club Limited	49.3	53.9	United Kingdom	Dormant
# Tower Casino Group Limited	49.3	53.9	United Kingdom	Dormant
# Tower Clubs Management Limited	49.3	53.9	United Kingdom	Dormant
# Triangle Casino (Bristol) Limited	49.3	53.9	United Kingdom	Dormant
Tullamarine Sdn Bhd	49.3	29.2	Malaysia	Dormant
# TV-AM Enterprises Limited	49.3	53.9	United Kingdom	Dormant
# TV-AM Limited	49.3	53.9	United Kingdom	Dormant
# TV-AM (News) Limited	49.3	53.9	United Kingdom	Dormant
Twinkle Glow Sdn Bhd	49.3	29.2	Malaysia	Dormant
Twinmatics Sdn Bhd	49.3	48.7	Malaysia	Dormant
+ Vestplus (Hong Kong) Limited	49.3	48.7	Hong Kong, SAR	Dormant
Vintage Action Sdn Bhd	49.3	29.2	Malaysia	Dormant
# Westcliff Casino Limited	49.3	53.9	United Kingdom	Dormant
# Westcliff (CG) Limited	49.3	53.9	United Kingdom	Dormant
# William Crockford Limited	49.3	53.9	United Kingdom	Dormant
# Worthchance Limited	49.3	53.9	United Kingdom	Dormant
Yarrowin Sdn Bhd	49.3	29.2	Malaysia	Dormant
^ @Latte (USA) LLC	49.3	48.7	United States of America	Dormant
+ ACGT Singapore Pte Ltd	54.6	-	Singapore	Pre-operating
Awana Hotels & Resorts Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
Awana Vacation Resorts Management Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
Cosmo-Jupiter Berhad	54.6	54.6	Malaysia	Pre-operating
+ Full East Enterprise Limited	54.6	54.6	Hong Kong, SAR	Pre-operating
Genting Biofuels Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
Genting Commodities Trading Sdn Bhd	54.6	54.6	Malaysia	Pre-operating
# Genting International Corp	51.7	53.9	United States of America	Pre-operating
# Genting Investments Corp	100.0	100.0	United States of America	Pre-operating
^ Genting Petroleum Ventures Limited	95.0	95.0	Isle of Man	Pre-operating
^ Genting Power Indonesia Limited	100.0	100.0	Isle of Man	Pre-operating
^ Genting Power International Limited	100.0	100.0	Isle of Man	Pre-operating
^ Genting Power Philippines Limited	100.0	100.0	Isle of Man	Pre-operating
Genting Sanyen Incineration Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
^ Genting Sanyen Indonesia Limited	95.0	95.0	Isle of Man	Pre-operating
# Genting Singapore Aviation II	51.7	-	Cayman Islands	Pre-operating
# Genting Star Limited	51.7	53.9	British Virgin Islands	Pre-operating
# Genting Star (Macau) Limited	51.7	53.9	Macau	Pre-operating
Genting Vegetable Oils Refinery Sdn Bhd	54.6	54.6	Malaysia	Pre-operating
+ GGT Singapore Pte Ltd	54.6	-	Singapore	Pre-operating
^ GP China Limited	100.0	100.0	Isle of Man	Pre-operating
^ GP Equities Pte Ltd	54.6	54.6	Singapore	Pre-operating
+ Green Synergy Limited	100.0	97.7	Hong Kong, SAR	Pre-operating
^ Highlands Exploration Limited	95.0	95.0	Isle of Man	Pre-operating
^ Highlands Power Development Limited	100.0	100.0	Isle of Man	Pre-operating
^ Ketapang Holdings Pte Ltd	54.6	54.6	Singapore	Pre-operating
Larisan Prima Sdn Bhd	54.6	54.6	Malaysia	Pre-operating
Mastika Water Management Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
# Maxims Casinos Limited	51.7	53.9	United Kingdom	Pre-operating

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

## 48. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2010	2009		
<b>Indirect Subsidiaries (cont'd)</b>				
+ Maxims Clubs Pte Ltd	51.7	53.9	Singapore	Pre-operating
Maxims Clubs Sdn Bhd	51.7	53.9	Malaysia	Pre-operating
+ Oriental Explorer Pte Ltd	95.0	95.0	Singapore	Pre-operating
Resorts World at Sentosa Sdn Bhd	51.7	53.9	Malaysia	Pre-operating
+ Resorts World Properties Pte. Ltd.	51.7	-	Singapore	Pre-operating
^ Sandai Maju Pte Ltd	54.6	54.6	Singapore	Pre-operating
^ Sri Kenyalang Pte Ltd	54.6	54.6	Singapore	Pre-operating
^ Tamanaco Limited	100.0	100.0	Isle of Man	Pre-operating
^ Tetha Limited	95.0	95.0	Isle of Man	Pre-operating
# Genting Risk Management (Labuan) Limited (In Member's Voluntary Liquidation)	100.0	100.0	Labuan, Malaysia	Pending liquidation
+ Genting Sanyen Paper Pte Ltd (In Member's Voluntary Liquidation)	97.7	97.7	Singapore	Pending liquidation
* Myanmar Genting Sanyen Limited (In Member's Voluntary Liquidation)	100.0	100.0	Myanmar	Pending liquidation
Bandar Pelabuhan Sdn Bhd	-	29.2	Malaysia	Liquidated
+ Genting Power (Swiss) GmbH	-	100.0	Switzerland	Liquidated
Resorts International (Labuan) Limited	-	48.7	Labuan, Malaysia	Liquidated
Resorts World (Labuan) Limited	-	48.7	Labuan, Malaysia	Liquidated
RWB (Labuan) Limited	-	48.7	Labuan, Malaysia	Liquidated
+ Stanley Leisure Quest Trustees Limited	-	53.9	United Kingdom	Dissolved
+ Genting Oil & Gas (China) Limited	-	95.0	Isle of Man	Disposed off
Laserwood Sdn Bhd	-	29.2	Malaysia	Disposed off
Waxwood Sdn Bhd	-	29.2	Malaysia	Disposed off
<b>Jointly Controlled Entities</b>				
+ Apollo Genting London Limited (formerly known as Sevco (5036) Limited)	24.7	-	United Kingdom	Leisure, entertainment, sport and property
+ DCP (Sentosa) Pte Ltd	41.4	43.1	Singapore	Developer and operator of district cooling plant
+ Gemstones Investments Pte Ltd	17.2	18.0	Singapore	Investment holding
Genting INTI Education Sdn Bhd	17.3	17.0	Malaysia	Managing a college for education, tourism, leisure and hospitality
Genting Simon Sdn Bhd (formerly known as Genting Chelsea Sdn Bhd)	27.3	54.6	Malaysia	Property investment
+ Kensington Hotel Pte Ltd	17.2	18.0	Singapore	Investment holding
+ Kensington Residential Pte Ltd	17.2	18.0	Singapore	Investment holding
* KHS Management Limited	17.2	18.0	United Kingdom	Property management services
+ Mark Burnett Productions Asia Pte Ltd	25.8	26.9	Singapore	Development, production and distribution of television programmes
^ Simon Genting Limited (formerly known as Chelsea Genting Limited)	27.3	54.6	Isle of Man	Investment holding
+ WCI Management Limited	25.8	26.9	Isle of Man	Investment holding
+ WorldCard (Hong Kong) Limited	25.8	26.9	Hong Kong, SAR	Management of loyalty programme services
+ WorldCard International Limited	25.8	26.9	Isle of Man	Investment holding
+ WorldCard (Singapore) Pte Ltd	25.8	26.9	Singapore	Management of loyalty programme services
* 808 Holdings Pte Ltd	17.2	18.0	Singapore	Investment holding
* 818 Pte Ltd	17.2	18.0	Singapore	Investment holding
* 828 Pte Ltd	17.2	18.0	Singapore	Investment holding
* 838 Pte Ltd	17.2	18.0	Singapore	Investment holding
+ WCI Intellectual Limited	25.8	26.9	Isle of Man	Dormant
<b>Associates</b>				
+ Aban Power Company Limited	36.3	36.3	India	Generation and supply of electric power
* DNA Electronics Limited	45.6	38.5	United Kingdom	Research & development on natural sciences & engineering

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2010

### 48. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2010	2009		
<b>Associates (cont'd)</b>				
+ GaiaAgri Services Ltd	<b>16.4</b>	16.4	Mauritius	Provision of management services
* Genting VinaCapital Investments Pte Ltd (formerly known as Hoi An South Development Pte Ltd)	<b>9.9</b>	-	Singapore	Investment holding
+ Lanco Kondapalli Power Limited	<b>30.0</b>	30.0	India	Generation and supply of electric power
* Landmarks Berhad	<b>30.3</b>	30.3	Malaysia	Resort, property investment and property development
+ Resorts World Inc Pte Ltd	<b>40.2</b>	100.0	Singapore	Investment holding
# RW Services Inc	<b>40.2</b>	-	United States of America	Provision of management and technical services and consulting services
# RW Services Pte Ltd	<b>40.2</b>	-	Singapore	Provision of management and technical services and consulting services
Serian Palm Oil Mill Sdn Bhd	<b>21.8</b>	21.9	Malaysia	Fresh fruit bunches processing
* Sri Gading Land Sdn Bhd	<b>26.8</b>	26.8	Malaysia	Property development
* Union Bank of Colombo Limited	<b>19.4</b>	-	Sri Lanka	Provision of financial services
Asiatic Ceramics Sdn Bhd (In Liquidation)	<b>26.8</b>	26.8	Malaysia	In Liquidation (Receiver appointed)

\* The financial statements of these companies are audited by firms other than the auditors of the Company.

+ The financial statements of these companies are audited by member firms of PricewaterhouseCoopers International Limited which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia.

^ These entities are subjected to limited review carried out by PricewaterhouseCoopers, Malaysia, although they are not subjected to statutory audit.

# These entities are either exempted or have no statutory audit requirement.

### 49. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 23 February 2011.

### 50. REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and Company as at 31 December 2010, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	Group 2010	Company 2010
Total retained profits/(accumulated losses):		
- Realised	<b>20,634.6</b>	<b>6,501.7</b>
- Unrealised	<b>(1,170.1)</b>	<b>8.3</b>
	<b>19,464.5</b>	<b>6,510.0</b>
Total share of retained profits/(accumulated losses) from associated companies:		
- Realised	<b>352.7</b>	-
- Unrealised	<b>(32.8)</b>	-
Total share of accumulated losses from jointly controlled entities:		
- Realised	<b>(45.9)</b>	-
	<b>19,738.5</b>	<b>6,510.0</b>
Less: Consolidation adjustments	<b>(5,939.4)</b>	-
Total retained profits	<b>13,799.1</b>	<b>6,510.0</b>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

## **STATEMENT ON DIRECTORS' RESPONSIBILITY PURSUANT TO PARAGRAPH 15.26(a) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

As required under the Companies Act, 1965 ("Act"), the Directors of Genting Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the financial year. In cases where judgement and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the internal control systems to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board dated 23 February 2011.

## **STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965**

I, **CHONG KIN LEONG**, the Officer primarily responsible for the financial management of **GENTING BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 67 to 135 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed )  
**CHONG KIN LEONG** at KUALA LUMPUR on )  
23 February 2011

**CHONG KIN LEONG**

Before me,

**TAN SEOK KETT**  
Commissioner for Oaths  
Kuala Lumpur



## INDEPENDENT AUDITORS' REPORT

To The Members Of Genting Berhad  
(Incorporated in Malaysia)  
(Company No.7916-A)

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Genting Berhad on pages 67 to 135 which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of income, comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 49.

#### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the year then ended.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 48 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

### OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 50 on page 135 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**PRICEWATERHOUSECOOPERS**  
(No. AF: 1146)  
Chartered Accountants

**LOH LAY CHOON**  
(No. 2497/03/12(J))  
Chartered Accountant

Kuala Lumpur  
23 February 2011

.....  
*PricewaterhouseCoopers (AF 1146), Chartered Accountants,  
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P. O. Box 10192, 50706 Kuala Lumpur, Malaysia  
T: + 60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*